

# FINANCIAL TIMES

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International  
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## NEWS SUMMARY

### GENERAL

#### Harare senator killed by rebels

Zimbabwean senator Paul Savage, his daughter Colleen and a young woman friend from Britain were killed by a group of 20 to 30 dissidents who attacked the family home, 90 miles south of Bulawayo at the weekend. Mrs Savage was seriously injured.

The killings followed a weekend military trip to Matabeleland in which journalists were told by the Government that because the National Army had been successful in driving out the dissidents, the dawn-to-dusk curfew was being lifted in many parts of the troubled province. Page 2

#### Sandinistas in control

The Nicaraguan Sandinista army appeared to be in control of the northern region of Nuevo Segovia where two columns of "counter-revolutionary forces" had entered from Honduras in February. The army claimed the rebel forces had been virtually wiped out. Page 16

#### Critical PLO talks

Leaders of the Palestine Liberation Organisation met in Jordan for critical talks which could affect the fate of the Reagan Middle East peace plan. Page 18

#### Peru violence

Political violence in the mountains of Peru claimed the lives of 320 people in the first quarter of this year, almost double the number in the whole of 1982.

#### Botha 'no' to talks

South African Prime Minister P. W. Botha rejected an offer from Zambian President Kenneth Kaunda to arrange a meeting with Pretoria's opponents, including the leader of Swapo, Sam Nujoma. Page 2

#### Bombing denounced

Greek newspapers described a weekend bomb attack on a hotel where 70 officials of the New Democracy Party were meeting as an attempt to undermine the country's stability.

#### Mystery illness probe

Two experts from the U.S. Centre for Disease Control in Atlanta, Georgia, arrived in Israel to investigate the mystery illness that has struck about 350 Palestinians in the West Bank.

#### Shuttle takes off

The new U.S. space shuttle Challenger took off from the Kennedy space centre, Florida, with a crew of four on board. It is to orbit earth 61 times before landing in California on Saturday.

#### Hartkopf resigns

Günter Hartkopf, Minister of State in the West German Interior Ministry since 1980, said he was resigning for "general political reasons".

#### Rome fraud arrests

Rome police arrested two men on charges of defrauding more than 50 companies of 50m lire (\$3.5m) worth of merchandise in a complicated confidence trick.

#### Gloria Swanson dies

Gloria Swanson, the American silent movie queen, died aged 94 at a New York hospital after a brief illness.

#### Briefly

Quake of 5.5 on Richter Scale injured scores in North Sumatran city Banda Aceh, Indonesia.

Portuguese national rail strikes enters sixth day with no agreement in sight.

Australia is to protest to France about expected nuclear tests at Mururoa Atoll in French Polynesia.

### BUSINESS

#### Indonesia exchange losses to be probed

INDONESIA'S central bank, Bank Indonesia, is to set up a committee to investigate complaints that several of the country's foreign exchange banks made substantial losses because of the way in which last week's 27.5 per cent devaluation was handled.

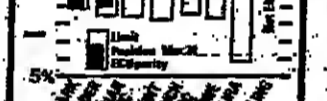
Bankers believed Wednesday's trading in foreign exchange was one of the heaviest ever as speculation that a devaluation would soon take place reached fever pitch. The banks are believed to have put in requests early that morning for purchases of over \$150m, but these were turned down. Page 16

#### WALL STREET closed down 2.42

at 1127.61. Page 17

#### TOKYO: Nikkei Dow index rose

6.23 to 4,835.32 and the Stock Exchange index fell 0.66 to 614.55. Report Page 17.



#### THE D-MARK was fixed at its

lowest permitted level against the French franc, Irish punt and Danish krone in the European Monetary System last week. At the same time it rose to a record level against the Dutch guilder.

Central banks were active in the market, notably the Bundesbank and Bank of France in an effort to keep currencies within established bands. A relieving of pressure following the recent realignment allowed the Belgian central bank to reduce some domestic interest rates and relax two of the four emergency exchange measures introduced some weeks ago to defend the Belgian franc.

The Italian lira was the strongest member of the system and the D-Mark the weakest.

The chart shows the two constraints on European Monetary System exchange rates. The upper grid, based on the weakest currency in the system, defines the cross rates from which no currency (except the lira) may move more than 2 1/2 per cent. The lower chart gives each currency's divergence from its "central rate" against the European Currency Unit (ECU), itself a basket of European currencies.

#### JAPAN is to protest the U.S.

decision to impose tariff increases on the import of large motorcycles. Page 3

#### CHILE's emergency economic

package announced last month has been met with mixed reaction from business and labour.

#### EGYPT is seeking international

bids for a pressurised water reactor to be set up at Al Daba on the north west coast. Page 3

#### SWITZERLAND has signed

contracts with British Nuclear Fuels for the reprocessing of used nuclear fuels from Switzerland's five plants. Page 3

#### SWITZERLAND's gross domestic

product dropped by 1.3 per cent in real terms last year, official estimates say.

#### THE BRITISH Government is

seeking an urgent meeting with Peugeot-Citroen chairman Jean Paul Faravay to protest at the pair's decision to reorganise its Talbot headquarters in Coventry with job losses. Page 16

## German peace marchers mount first challenge to Kohl N-policy

BY JAMES BUCHAN IN BONN

ABOUT a quarter of a million West Germans took part in rallies, marches and passive blockades over Easter in protest against nuclear armament and above all NATO's plans to station new U.S. nuclear missiles in the country from the end of this year.

This first test of strength between the active "peace movement" and Chancellor Helmut Kohl's Centre-Right coalition committed to NATO policy passed relatively quietly.

A number of arrests occurred in Berlin on Sunday where a crowd defied the allied commander's ban on demonstrations near military installations by blockading a U.S. ra-

dar station. The 160 people held were all later released.

The Frankfurt co-ordinators of the 90-odd events said that around 300,000 people had taken part up to Sunday evening while a further 100,000 turned out to demonstrations in large cities yesterday. With many people counted more than once, it seemed unlikely that the turnout matched the 500,000 who protested during President Reagan's visit to Bonn last June. Wet weather at the beginning of the weekend was blamed.

The "peace movement", a coalition of several thousand church, environmental and anti-nuclear groups supported in parliament by

the Greens and many on the Social Democrat Left, plans a graduated series of protests reaching a climax with blockades of the missile sites in October.

In a sign of what the autumn could bring, police on Friday used teargas and dogs to disperse a blockade of the Wiley U.S. airbase at Neu-Ulm in Bavaria, regarded as a likely site for some of the 108 Pershing-2 missiles allotted to Germany by NATO and which the U.S. will start stationing this year. The Pershing-2 is regarded by the peace movement as a first-strike weapon.

Herr Gerd Bastian, the Bundeswehr general turned Green deputy who was among those removed

from outside the base, said that Moscow's rejection of the U.S. offer to negotiate an "interim" balance in European theatre missiles - which would none the less include new U.S. systems in Europe - was "totally understandable".

Herr Carl Dietrich Spranger, parliamentary state secretary at the Interior Ministry in Bonn, said the Easter marches "served to support Soviet policy, which threatens our freedom and security".

Chancellor Helmut Kohl, meanwhile, has accepted invitations from the U.S. and Soviet leaders to visit Washington and Moscow this year.

East German peace demon-

strators were able to hold a brief anti-nuclear arms rally in the Thuringian city of Jena on March 18, before being dispersed by security police, according to photos and accounts of the demonstration now reaching Berlin, Leslie Collitt writes.

The demonstration was held during a government-sponsored march to commemorate the bombing of Jena during World War II.

Some 100 demonstrators, mingling with official marchers, held up hand lettered placards with the slogan of the unofficial peace movement, "Swords into ploughshares". The East German authorities have banned the public display of this

slogan. Other signs held up by the peace marchers said: "No future without peace," "Make peace without weapons" and "No war toys."

The demonstrators were able to display their signs for several minutes before plain clothes members of the East German security police moved in. They tore the signs from the demonstrators and broke wooden poles, used to hold the signs, across their backs. A number of the protesters were taken into custody.

● In Italy, an estimated 1,000 people took part in a peace march yesterday up to the gates of a Nato base in the northern province of Alto Adige.

## Japan rejects Soviet 'right' to station missiles in Far East

BY JUREK MARTIN IN TOKYO

JAPAN HAS rejected as "out of the question and unacceptable" the Soviet Union's claim that it has the right to station intermediate range nuclear missiles in the Far East.

Mr Yasuhiro Nakasone, the Japanese Prime Minister, and other government officials flatly denied a charge by Soviet Foreign Minister Mr Andrei Gromyko, that the U.S. already has nuclear weapons deployed on Japanese soil. Mr Gromyko said the presence of U.S. missiles justified Soviet counter-measures in Siberia.

Mr Nakasone said Japan will demand that the Soviet Union withdraw its SS20 missiles from Siberia when officials from the two countries meet in Tokyo next week for previously scheduled discussions.

The vehemence of Japanese statements in the last 48 hours, after Soviet dismissal of President Reagan's latest offer on European missile reduction, reflects the concern of Japanese-Soviet relations and is in line with Japan's longstanding position on arms reduction.

Japan has been one of the staunchest supporters of Mr Reagan's "zero option" proposal, because it has assumed that the zero option implied the dismantling of all intermediate range nuclear missiles, whether stationed in Europe or elsewhere. The Japanese view has always been a potential complication for the U.S. in the Geneva negotiations covering the European theatre.

This became apparent two months ago when Mr George



Mr Yasuhiro Nakasone

Shultz, the Secretary of State, passed through Tokyo. He assured Mr Nakasone that the U.S. would take account of Japanese concern in the Geneva negotiations. But he did not commit the U.S. to demanding that in any European solution short of the zero option the Soviet Union also remove its SS 20s from the Far Eastern front.

Japanese officials were similarly pleased at Mr Reagan's reference last week to the need for reduced missile deployment "on a global basis." Mr Nakasone went so far as to send Mr Nakasone a personal letter outlining in advance his new stance. Normally, such a letter would only have gone to Nato heads of state.

But U.S. expressions of concern, as Mr Gromyko's assertions and

the subsequent Tokyo reaction make clear, do not solve the problem of the Japanese position. Mr Nakasone has told Washington that any missile reductions in Europe must not, in Japan's view, be agreed if Asian and Japanese interests are sacrificed.

"The U.S. alone," he said, "has influence to make the Soviets abandon bringing SS20s to Asia." In this end, he went on, Japan must improve its own defence capability to demonstrate its reliability as an ally of the U.S. This, in turn, would make it more desirable for the U.S. to negotiate an agreement with the Soviet Union that did not entail the transfer of Soviet missiles from Europe to Asia.

The problem for Mr Nakasone has been that the hawkishness implicit in such comments is not, according to most opinion polls, enhancing his domestic popularity. Although the Japanese public has not been in the vanguard of the international anti-nuclear missile movement (last month's visit to a Japanese port of the missile-carrying U.S. aircraft carrier Enterprise passed with minimal protest), defence has high political visibility here.

The Japanese political establishment still appears to hold firm to its non-nuclear principles: that Japan will not possess, use or permit the introduction of nuclear weapons into the country, even from the U.S. Thus the Japanese stake in arms control is considerable - as is its nervousness when it appears isolated.

## U.S. business jet group to go public with major share offer

BY RICHARD LAMBERT IN NEW YORK

GULFSTREAM AEROSPACE, a U.S. manufacturer of business jets, is going public this week in one of the biggest initial offerings in Wall Street's recent history. The share sale could leave Mr Allen Paulson, Gulfstream's founder, and chairman, with cash and shares worth over \$500m.

Based in Savannah, Georgia, the group's main product is the Gulfstream III fanjet, a long range 19-passenger aircraft which it sells mainly to big corporations and governments for around \$10.5m. It also makes the Commander range of twin engine turboprops, which accommodate up to 11 people including the pilot, and sell at a modest \$1.5m to \$1.8m apiece.

In the next few years, the group expects to spend around \$50m on developing the Gulfstream IV, an intercontinental twin fanjet aircraft, which will be quicker and more fuel efficient than the current model. Earlier this year, Gulfstream signed a contract with Rolls-Royce of the UK for 200 engines to be used on the new model, and the

needed to finance a \$6.6m progress payment on this order is one reason for the public share offering.

Mr Paulson, 60, set up in the aircraft trading business in 1953 but did not make a big impact until 1978 when he bought Grumman American Aviation - which had developed the Gulfstream - from Grumman and a number of other shareholders. In 1981, the group picked up the General Aviation Division of Rockwell International, which made the Commander series.

Gulfstream's net income jumped last year from \$12.4m to \$43m, or \$1.41 a share, but new orders for the Gulfstream III slipped from 32 to 15 aircraft as a result of the recession. Commander production was halted for 44 days, and only resumed in the late summer at a reduced rate. Lower interest rates and fuel prices are expected to boost Commander deliveries this year.

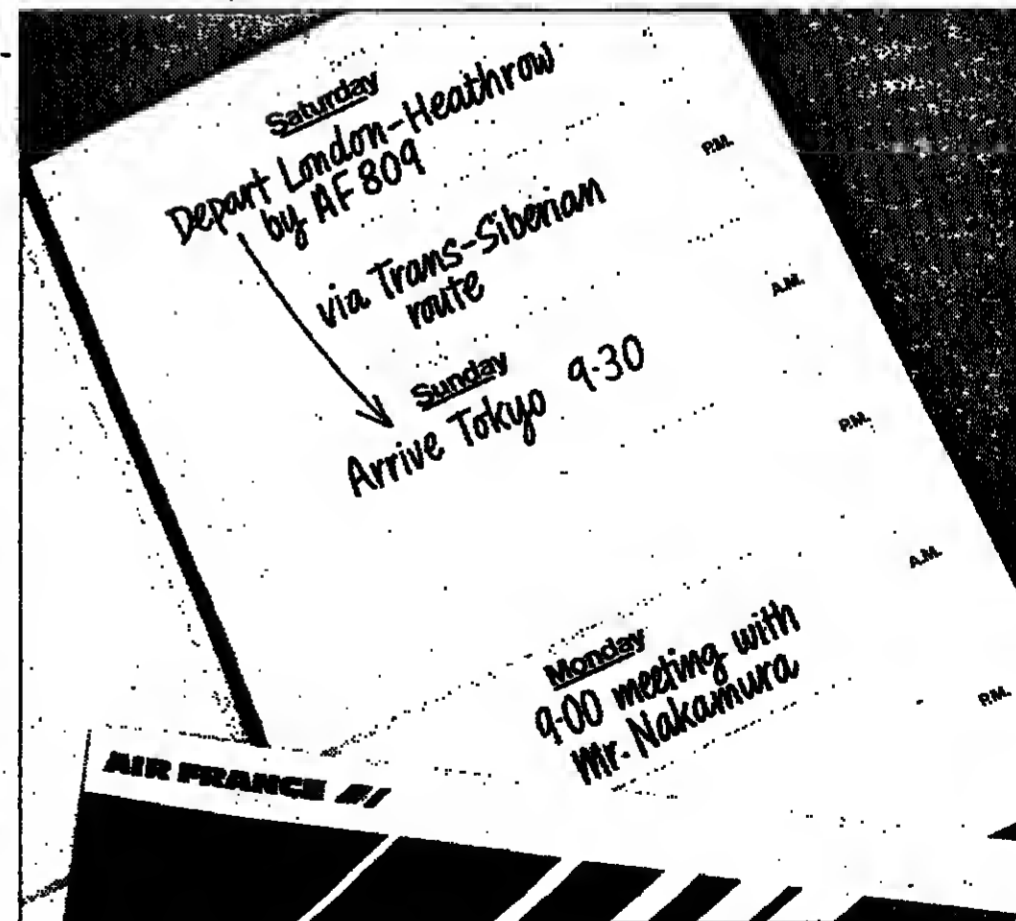
The offering involves 7 million shares - around a fifth of the enlarged capital - and the estimated

offering price is in the range of \$17 to \$20 a share. Of the total, 3.75m shares will be sold by existing investors, mainly Mr Paulson, and the rest will raise new capital for the company.

According to the prospectus, revenues this year will be squeezed by the fall in new orders during 1982 and a decision to withhold from sale three Gulfstream IIIs for potential lease to the U.S. Air Force. The group's cash payments will rise substantially in the first half of this year, as a result of a big tax payment and the progress payment to Rolls-Royce. Gulfstream does not plan to pay any dividends in the near future.

All the same, the offering comes at a time when Wall Street is showing an apparently insatiable hunger for new equity issues. Total equity issues in the first three months of the year amounted to just under \$11bn, a rise of 440 per cent on 1982's level.

The Gulfstream offering is being handled by Shearson/American Express.



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## OVERSEAS NEWS

# Vietnamese overrun Sihanouk stronghold near Thai border

BY KATHRYN DAVIES IN SINGAPORE

VIETNAMESE TROOPS have overrun the north Cambodia stronghold of Prince Norodom Sihanouk, the titular head of the Kampuchean resistance movement, according to Thai military spokesmen in Bangkok. The Vietnamese are also reported to have again crossed into Thai territory and clashed with Thai troops in a bid to encircle Kampuchean guerrillas operating on the volatile Thai-Kampuchean border.

Gen Arthit Kamlang-Ek, the Thai army commander-in-chief, described the situation as "violent" and "very serious."

He said that, for the first time since Vietnam overthrew the Khmer Rouge regime in Kampuchea in December 1978, Vietnamese troops were apparently willing to engage Thai forces in direct combat.

Thailand was reported yesterday to have launched air strikes against Vietnamese positions just inside Thai territory.

The latest camp the Vietnamese are reported to have captured was known as "Sihanoukville" after the prince, half of whom are said to have fled into Thailand. Western correspondents have not so far been permitted by the Thai military to go to the border, but reports suggest that at least 50,000 Kampuchean have crossed into Thailand in the past few days.

In an attack last Thursday, Vietnamese troops are reported to have captured the Khmer Rouge stronghold at Phnom Chat, 100 miles to the south of Sihanoukville. The Khmer Rouge, by far the strongest element in the three-faction coalition, are best known for their atrocities following the communist victories in Indo-China in 1975. They are believed to be under the military command of Pol Pot, whose exact whereabouts are unknown.

The third element in the coalition, headed by anti-communist leader Son Sann, sustained a fierce Vietnamese attack in January when its border settlement at Nong Chan was razed to the ground.

The association of South East Asian nations, which includes Thailand, forged the Kampuchean coalition last year to combat the Vietnamese presence in Kampuchea, which it sees as a security threat to the region.

ASEAN will be greatly concerned at these setbacks to the non-communist elements in the coalition which give the alliance a measure of respectability in the international community. Equally concerned will be China, a major supplier of arms to the resistance.

Tens of thousands of Kampuchean are being caught in the crossfire between Vietnam and its opponents. At least 200 have been killed and many are still trapped in pockets of territory.

## At least 22 killed in Sikh blockade protests

NEW DELHI—Police shot dead at least 22 people and about 100 were injured yesterday during a campaign by Sikh militants to blockade roads across Punjab state in northern India, authorities said.

An estimated 6,000 activists of the Akali Dal Party placed tree trunks across roads and staged sit-ins at intersections to block traffic during the eight-hour demonstration, the latest in a nearly year-long campaign by Sikhs for religious and political concessions from the central Government.

Police opened fire at several places after they failed to disperse rock-throwing crowds with water and teargas, officials said. Police and searchers could not provide immediate medical aid to the injured as highways remained blocked.

Balwant Singh, an Akali leader and former state finance minister, claimed 16 people had died from police bullets. His charge could not be independently confirmed.

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## Yugoslavia puts up retail prices

The retail price of nearly 500 items went up in Yugoslavia yesterday as the government raised taxes on consumer goods in an austerity programme to help the country out of economic crisis, Reuters reports from Belgrade.

The measure, affecting goods ranging from sugar and mineral water to textiles, sports equipment and natural gas, will raise the retail price index by 1.5 per cent and the cost of living index by 1.2 per cent, officials said.

Inflation in Yugoslavia is running at nearly 35 per cent, compared with a 1983 target of 20 per cent.

## Police kill S. African protester

A South African community leader opposed to the government's seizure of black-owned land was shot dead at the weekend by a policeman trying to scatter angry protesters in one of the condemned villages, AP reports from Johannesburg.

Saul Mkhize, 48, was the elected leader of some 5,000 blacks in Driefontein, a farming village 125 miles east of Johannesburg.

## Spain-Israel talks signal rapprochement

MOVES towards a rapprochement between Spain and Israel under Madrid's new Socialist Government are signalled by a meeting here today between Mr Shimon Peres, the Israeli Opposition leader, and Prime Minister Sr Felipe Gonzalez, David White reports from Madrid.

Mr Peres, who arrived here on Sunday prior to a meeting of the Socialist International in Lisbon starting tomorrow, is the first top Israeli politician to be received here in this way.

## Decline in foreign trade continues

FOREIGN TRADE by the world's industrialised countries declined for the second consecutive year in 1982, reflecting global recession, the International Monetary Fund (IMF) AP-DJ reports from Washington.

Exports by industrialised countries totalled \$1.16 trillion (million million) in 1982, down 5.3 per cent from a year earlier. Imports totalled \$1.22 trillion, down 8.1 per cent from 1981.

# Joint action sought on Iran's elusive oil slick

TWENTY MILES north of Bahrain, a sudden squall whipped up a patch of clear water. It was easier then to distinguish the rim of an oil slick.

Closer inshore, a member of Bahrain Petroleum Company's (BAPCO) oil spill response team, Yusuf Matter, pointed out a floating barrier surrounding the refinery's seawater intake, with an outer rim of floats supporting a net to trap tar-balls. As a defence against an estimated 0.25m barrels of spilled oil, it looked pathetic.

The seven-seater Bell helicopter had been airborne for an hour before we saw the first sheen of oil nearly 30 miles off the north-east shoreline.

Mr Darko Domovic, the Malta-based UN environment programme consultant on loan to Bahrain, and Gordon Lindholm, an Exxon consultant assisting BAPCO, pencilled in positions on their cyclostyled sketch maps. From then on, there were frequent patches of sheen, some three or four miles wide.

Some light oil streaks were sighted only two miles off the island of Muharraq, and a stream of oily sludge under the bridge which links Muharraq with mainland Bahrain. It was

coming out of a small dhow port. "Regular harbour pollution," wrote Mr Domovic.

His assessment afterwards: "What we have seen today is nothing—not more than 100 tonnes of oil. If that hits the shoreline, it will do little damage."

So what about the heavy slick reported by incoming aircraft 10 days ago, covering 600 square miles? "I've only been here six days, and I have not seen it. I do not think it is likely that it has sunk below the surface."

Perhaps today's meeting will give a better picture of where the oil is. Until now, there has been a shortage of information from the Iranian side of the Gulf, and satellite pictures are not easy to interpret. Oil which has already hit Qatar over the past two days may not be from Nowruz. There are hints in Bahrain of an unpublished leakage from two Saudi offshore wells, which could account for the presence of lighter oil.

In the face of mounting apprehension, Qatari officials have appealed for calm, and reassuring statements about the state of preparedness are issued daily from Kuwait and the UAE. In Bahrain, journalists seeking entry visas are being told: "This

event has been media-inflated. There is no sizeable oil slick near Bahrain."

Yet when asked on television on Sunday evening if the oil disaster was controllable, the Bahraini director of Marine Emergency Mutual Aid Centre replied: "I doubt it, if the spillage continues."

Briefly, the background to the problem is as follows. Some time in 1981, a ship was in collision with a single well platform in Iran's Nowruz field. The platform was shut down and left with a 45 degree list. In early February this year it collapsed, and oil began seeping from the fractured well feeding the wells. The Iranians said oil entered into negotiations

with Paul "Red" Adair's Texas company of oilwell trouble-shooters, and team leader Billy Dreyer arrived in the Gulf to mobilise men and equipment.

They were ready to use the Feridoon field, close to Saudi waters, as a springboard for repair operations when Iraqi helicopters carried out a missile attack on Nowruz on March 2, setting a four-well and a two-well platform on fire and causing a leakage from another two-well platform.

Dreyer flew in, but sought an assurance that his men would not come under Iraqi attack while fighting fires and capping the wells. The Iranians said oil entered into negotiations with Paul "Red" Adair's Texas company of oilwell trouble-shooters, and team leader Billy Dreyer arrived in the Gulf to mobilise men and equipment.

\$145,000 a day before Dreyer took his team back to Houston. Up till now Iraq has said it is seeking a total ceasefire—or none at all. However, yesterday Iraq said it was prepared to observe a limited ceasefire in areas affected by the oil leak.

Iraq's conditions for a ceasefire are not relevant, according to Dr Ali Kakhro, Iranian ambassador to Kuwait, because non-producing offshore oilfields are not a battlefield. Iran regards attacks on such fields as acts of sabotage carried out in defiance of the environmental treaty. The Nowruz field has been shut down for two years because it is a marginal producer of heavy (20API) crude with sulphur contamination of 24 per cent.

Many environmentalists are bitterly disappointed by the failure to control pollution problems.

Dr Ali Kakhro, a member of Bahrain's Cabinet and a former president of the Kuwait-based regional protection agency, says candidly: "We talk about educating the public about environmental problems—we need to educate the officials. They are just not aware of the gravity of the situation."

## Basques set new terms for pact on terrorism

BY DAVID WHITE IN MADRID

GROWING FRICITION between Spain's ruling Socialist Party and the Basque Nationalist Party (PNV), which holds power in the autonomous Government of the Basque region, has reached a new pitch in the run up to countrywide municipal elections, a month from now.

The latest row stems from a document published by the PNV at the weekend setting conditions for its continuing co-operation in fighting terrorism by the Basque separatist group ETA.

This has shown a resurgence in the last two months, with seven deaths and two kidnappings attributed to the extremist movement since the beginning of February.

The PNV document calls for a 1981 law governing devolution to the regions to be rescinded and for Madrid's civil governors in the Basque provinces to be withdrawn. The law, drawn up under a pact between the previous centrist government

and the Socialists and aimed at providing a uniform framework for transferring powers to the regions, was seen by the Basque nationalists as putting devolution into reverse gear.

As the conservative PNV and the more radical Basque parties celebrated a Basque National Day, on Sunday, the PNV leader Sr Xabier Arzallus said the Government had to show a "receptive attitude" towards nationalist claims if the PNV was to co-operate fully in the struggle against ETA.

The PNV's new stance brought fierce attacks, from local leaders of the Socialist Party and the Right-wing opposition.

It comes after the collapse of efforts at the beginning of the year by the PNV head of the Basque Government, Sr Carlos Garaikoetxea, to set up peace talks between his party, the Basque Socialists, and Herri Batasuna (People's Unity), the party linked to the hardline ETA-Militar.

## White senator murdered in Matabeleland

BY OUR HARARE CORRESPONDENT

WHILE Zimbabwe Government Ministers continue to claim success in their military campaign against the Ndebele dissidents in Matabeleland, the insurgents replied in kind with the weekend murder of a white senator, his 20-year-old daughter and a visitor from Britain whose name has been withheld.

A government spokesman said yesterday that the 60-year-old Republican Front senator, Mr Paul Savage, his daughter and her friend were killed by a group of some 20 to 30 dissidents who attacked the family ranch 80 miles south of Bulawayo at the weekend.

The insurgents ordered all workers to leave the ranch and then opened fire on the Savage family and their young female friend from Britain. Mr Savage was seriously wounded in the attack but, yesterday, family friends said the senator's wife was out of danger.

After the killings, the dissidents ransacked the home stealing a large quantity of property, the government spokesman said.

News of the killings followed hard on the heels of a weekend facility trip to Matabeleland in which journalists were told that because the national army had been successful in driving out the dissidents, the dawn-to-dusk curfew was being lifted in many parts of the province.

Stephanie Gray adds: Dr Joshua Nkomo, leader of the Zanu opposition party, yesterday reiterated his call for an all-party commission of inquiry to establish the causes of the dissident problem in Matabeleland.

The inquiry would also discover who was sponsoring the dissidents. Dr Nkomo said he had his own views on the sponsors but would not comment on suggestions that the rebels were supported by a foreign power.

He denied allegations by Mr Robert Mugabe, the Prime Minister, that Zanu was helping the dissidents.

## Poor turnout for Malvinas Day parade

By Jimmy Burns in Buenos Aires

A MAJOR military ceremony marking the first anniversary of the Argentine invasion of the Falkland Islands yesterday drew little popular response, less than 48 hours after a march led by a group of war veterans had turned into an anti-Government demonstration in central Buenos Aires.

The ceremony, attended by hundreds of mainly uniformed officials including President Reynaldo Bignone, the three service chiefs of the ruling military junta, brigade commanders, and Government ministers, had as its focal point a march past by key regiments that fought in the war against Britain.

But, for all the military pomp, the ceremony, near the capital's naval headquarters, turned out to be a major anti-climax with the surrounding streets remaining empty for most of the day.

The official timetable was dashed on Saturday by a demonstration of over a thousand people, led by a group of Argentine war veterans.



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PITY COMPLIMENTS SOMETIMES HIDE AN ENVIOUS DROOL. WHEN WE SET OUT TO DESIGN A DESK TOP COMPUTER THAT WAS FUTURE-PROOF WHO WOULD HAVE THOUGHT WE'D HAVE THE DELICIOUS SIGHT OF GIANTS ON EDGE? DANCING ON RAZORBLADES THERE WAS NO PROBLEM DEFINING THE PROBLEM. ALL YOU NEED TO KNOW ABOUT THE COMPUTER BUSINESS THESE DAYS IS THAT IT CHANGES...FAST. FOR YEARS DATA PROCESSING MAN-AGERS HAVE BEEN PUNCHING HOME THE SAME ANGUISH. THE COMPUTER WE CREATED HAD TO SWEEP UP FUTURE DEVELOPMENTS IN HARDWARE AND SOFTWARE. NOT SURPRISINGLY, REALIZING SUCH A GRANDIOSE AIM WAS A NIGHTMARE UNTIL THE BREAK-THROUGH INTO VBC™ THE ONLY PEOPLE

## WORLD TRADE NEWS

## Swiss, UK sign nuclear fuel reprocessing deals

BY ANTHONY MCDERMOTT IN BERN

CONTRACTS HAVE been signed by Switzerland with British Nuclear Fuels (BNFL) for the reprocessing of used nuclear fuels from Switzerland's five nuclear plants—all but one of which are in operation.

According to the Bern-based Swiss Association for Atomic Energy (SVA), through these contracts and others with France, Switzerland has secured the means for reprocessing nuclear fuels "until far into the 1990s."

The four operational plants

are at Bessan (one and two) and Gösigen in the Basel area, and the fourth at Mühleberg, west of Bern. According to the SVA, the agreements with BNFL involve the reprocessing of about 220 tons of used nuclear fuel.

When operations begin at the fifth plant at Leibstadt, also near Basel—this is planned for next year—the plants in operation will use annually somewhat less than 100 tons of nuclear fuel. After reprocessing by BNFL, the uranium and

plutonium regained will be available for use by power stations again.

The agreement is bound to provoke reaction among the Swiss anti-nuclear movement. For according to the SVA some of the highly radioactive waste of this reprocessed material will possibly be brought back to Switzerland for storage in the 1990s—a controversial issue already under study by the National Association for the Storage of Radioactive Waste (Nagra) here.

## Malaysia puts end to British trade row

By Wong Sulong in Kuala Lumpur

DR MAHATHIR MOHAMED, the Malaysian Prime Minister, has formally announced the end of the "buy British last" policy, saying that in future, British goods would be treated on an equal basis as those of their competitors.

He said over the weekend that Government agencies would no longer be required to submit proposals from British exporters and contractors to the implementation and co-ordination unit of the Prime Minister's department for approval.

Dr Mahathir acknowledged that the anti-British directive had not had the widespread impact as Britain had feared largely because the fall in the value of sterling had made British goods cheap in Malaysia.

The Malaysian leader issued the famous directive in October 1981 and caught the British Minister of Trade, Mr Peter Rees, then in Kuala Lumpur with a trade mission, completely off guard.

The immediate reason for the directive was Dr Mahathir's anger over the change in the takeover rules in the London Stock Exchange, shortly after the successful acquisition of Guthrie Corporation by the Government-owned investment agency, Permodalan Nasional.

Although British authorities stressed that the changes were long overdue, Dr Mahathir regarded the timing as directed against Malaysia.

The Malaysian leader later expanded on the reasons behind the directive, saying Britain had taken Malaysia for granted and had been insensitive to Malaysian aspirations, in particular over the New Economic Policy, which aims to buy back Malaysian assets to increase Malay ownership to 30 per cent by 1990.

Since then, the British Foreign Office and business community had been working quietly to bring bilateral relations on an even keel. Various missions, both parliamentary and business groups, were sent to Malaysia while Malaysian leaders visiting London were accorded favourable treatment.

## HELP FOR HARLEY MOOTED

## Japan seeks ways to offset U.S. duties

BY JUREK MARTIN IN TOKYO

JAPANESE Government and industry are considering how to respond to the Reagan Administration's imposition of stiff tariff increases on the import of large motorcycles to the U.S.

Both public and private sectors in Tokyo expressed deep disappointment with Mr Reagan's upholding of an earlier recommendation by the U.S. International Trade Commission providing protection against imports to Harley Davidson, the troubled and sole remaining American manufacturer of high-powered motorcycles.

Mr Reagan's action is widely seen in Japan as a flagrant contradiction to his frequently publicly expressed commitment to free trade.

Yesterday, Mr Sadanori Yamashita, the Minister for International Trade and Industry, told a parliamentary committee that Japan had no alternative but to protest the decision through diplomatic channels and to seek redress under the articles of the General Agreement on Tariffs and Trade (GATT).

Specifically MITI might ask

that the U.S. take "compensatory" action under article 19 of GATT. This could entail, for example, the U.S. cutting duties on the import of smaller Japanese cycles.

MITI is also apparently willing to continue to explore the possibility that the Japanese motorcycle industry might come to Harley Davidson's assistance in ways that would not contravene U.S. anti-trust laws. As previously reported, one such scheme, discussed informally between MITI and the Japanese companies, could involve Suzuki and Yamaha buying up surplus Harley Davidson inventory for a year, with Honda supplying the U.S. concern with technological know-how over a longer period.

One option for the industry itself, specifically Honda and Kawasaki, is to increase production at their existing U.S. plant in Ohio and Nebraska respectively, thus avoiding the increase in import duties. Yamaha and Suzuki might also have to consider establishing U.S. assembly plants.

As it is, the swollen inventories of large Japanese

motorcycles in the U.S. is believed to amount to about 200,000 machines, not far short of total sales for last year (when the Japanese manufacturers commanded 85 per cent of the U.S. market). These stocks, presumably also free of the higher duties, could be sold in the coming year.

But if, as some Japanese sources suspect, the administration's purpose is to give Harley Davidson a year to see if it can turn itself around, then the continued presence of competitively priced Japanese motorcycles in U.S. showrooms could invalidate that experimental period.

President Reagan's decision also constitutes something of a psychological blow to the Japanese Government which had reason to believe that a series of recent actions on the trade front had taken some of the heat out of international complaints about Japanese trading practices.

However, the U.S. action appears to bear more than passing resemblance to the unilateral French move in consign-

ing Japanese exports of video cassette recorders to customs clearance at the remote town of Poitiers. What worries Japan is that the French initiative, for all its breaking of GATT and European Community rules, undeniably contributed to the subsequent broad agreement restraining Japanese VCR sales to Europe.

● AFDJ adds: Hitachi's wholly-owned subsidiary in Landsberg, West Germany, will begin production of video cassette recorders three months earlier than originally scheduled, a Hitachi official said yesterday. Hitachi expects its subsidiary, Hitachi Consumer Products (Europe), to produce initially 5,000 units each month from as early as October. The official denied that the change in the production schedule had any direct connection with the agreement in February by Japan and the EEC to limit Japanese VCR exports.

The agreement calls for Japan to hold exports to 4.55m units during fiscal 1983, which ends March 31 1984.

## Egypt after more N-plant bids

BY CHARLES RICHARDS IN CAIRO

EGYPT is seeking international bids for a pressurised water reactor (PWR) to be set up at Al Daba on the northwest coast 160 km west of Alexandria.

The power plant will be of two 1,000 MW units, numbered 1 and 2, and the Egyptian Nuclear Power Plants Authority (ENPPA) in the series of eight units Egypt is hoping to build by the year 2000.

Bids for 3 and 4 are invited from companies in France, the U.S. and West Germany, with which Egypt has signed bilateral nuclear co-operation agreements. Competent bidders are invited to submit a complete technical, commercial and financial bid for the turnkey project.

The ENPPA has at the same time asked France to delay the submission of tenders for units 1 and 2 to the same date. Units 1 and 2 are also to be built at Al Daba.

The ENPPA has asked a consortium led by Electricité de France and including Framatome and Alstom-Atlantique to submit a turnkey bid for two PWR units of 950 MW for units 1 and 2.

The ENPPA says it will consider bids for 1 and 2 at the same time as 3 and 4 and choose the best and cheapest.

Crucial will be the financing terms available. Egypt has set aside \$700m for its renewable energy fund from oil revenues. But falling oil prices have cut

off any increase in the fund for the time being.

Egypt has told France it was seeking almost 90 per cent financing in the form of soft loans to cover the convertible currency costs, estimated at 80 per cent of the \$1bn per unit.

Although the ENPPA has by delaying the awarding of a contract on units 1 and 2 sought to obtain more favourable financial terms, it is unlikely to get from the U.S. or West Germany better terms than it could through the French Government and 1 and 2 will likely be the first to be built.

Companies likely to tender bids for 3 and 4 include Framatome and Alstom-Atlantique of the U.S. and B&W of West Germany.

## SHIPPING REPORT

## Oil cuts boost still awaited

BY ANDREW FISHER

THE TANKER market is tired of waiting for oil price cuts to set off a new round of increased business at higher rates. "Last month," said Fearnleys, the Oslo shipbroking company, "fizzled out with as much sparkle as in the leftovers of yesterday's magnum of champagne."

Whether or not signs of an incipient upturn in shipping rates, at least for dry cargoes, have made brokers more light-headed, it is noteworthy that Fearnleys is still talking of champagne.

The contraction of seaborne

trade in the last year or so and the over-tonnaging that resulted from the wave of ordering in 1979 and 1980 has accustomed shipping markets to gloom.

Last week was subdued ahead of Easter, but Fearnleys, in its monthly report, was encouraged by definite signs that an upturn in the U.S. economy was on the way.

It noted that the effect of the recovery and of its impact on Europe would be very much dependent on its strength.

"For the shipping industry, the short-term effect of a U.S. recovery will be very limited."

But Fearnleys reckoned that recent increased activity and rates in dry cargo markets would continue into April.

Coal rates from Hampton Roads on the U.S. east coast went up in March from \$14.50 to \$17.50 a ton. Across the Atlantic, grain rates from the U.S. Gulf to continental Europe for 60-80,000 ton ships improved modestly from \$8.50 to \$8.75.

With the market continuing its gradual recovery from the depressed levels of the past two years, more enquiry was noted for ships needed for periods longer than single voyages.

## MAN withdraws from Manila diesel project

BY EMILIA TAGAZA IN MANILA

MAN of West Germany has finally withdrawn its proposal to build a \$55m high-range diesel engine plant in the Philippines, and the Government has declared that the project will not be offered to other foreign bidders.

Mr Roberto Ongpin, the Trade and Industry Minister, said yesterday that MAN's proposal did not meet the Government's export requirements.

The three-year-old negotiations between MAN and the Philippine Board of Investments (BOI) were stalled over the export and local content requirements which MAN considered "too high."

Perkins Engines of the UK and Detroit Diesel of the U.S. have shown interest in the project, but Mr Ongpin said he doubts if these companies will still be interested in view of the expected decline in diesel fuel consumption. "I doubt if they will still push it because it is no longer viable for them," Mr Ongpin said.

However, Mr Ongpin said production of higher range engines may yet be offered to Isuzu Motors of Japan, which is currently building a \$40m low-range engine plant in the country. He said that Isuzu has excess capacity and the re-tooling of some of its facilities could yet make the production of high-range engines viable.

The diesel engine programme is one of the Philippine Government's so-called 11 major industrial projects, packaged by Mr Ongpin and aimed at putting the country at the threshold of industrialisation.

● Empain Schneider's Spie Batignolles subsidiary has won a Ffr 216m (£21m) contract to build the first of three road sections in the Congo. Reuter reports from Paris. The contract includes the building of a 300 metre bridge and surfacing of the road between Bas-Kouili and Kola. The work is expected to take 34 months to complete, the company said.

## ECGD backs Peru loan

THE EXPORT Credits Guarantee Department has guaranteed funding and repayment of a \$10m general purpose line of credit which Midland Bank has made available to Corporación Financiera de Desarrollo (Cofide) of Peru, out of World Trade Staff writes.

the supply of UK capital goods and services. Exporters will receive 85 per cent of the value of eligible contracts direct from the loan.

To qualify under the line of credit a contract must have a minimum eligible value of \$47,000 and be placed by February 1984.

## World Economic Indicators

	RETAIL PRICE INDICES (1975 = 100)				% change over previous year
	Feb. '83	Jan. '83	Dec. '82	Feb. '82	
UK	242.7	241.8	241.5	236.4	5.3
U.S.	181.6	181.9	181.4	175.8	3.3
W. Germany	138.4	138.6	138.3	133.7	3.5
	Jan. '83	Dec. '82	Nov. '82	Jan. '82	
Japan	149.0	148.7	149.0	146.1	2.0
France	218.0	216.0	214.2	198.9	9.6
Belgium	166.3	164.4	164.5	153.5	8.3
Netherlands	154.7	154.7	155.0	149.0	3.8
Italy	322.4	317.9	315.6	277.4	16.2

Source: Various

## Size isn't enough in the business jungle either.

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## Redemption Notice

## City of Oslo (Norway)

9% Sinking Fund External Loan Bonds due May 1, 1985

NOTICE IS HEREBY GIVEN, pursuant to Fiscal Agency Agreement dated as of May 1, 1970 under which the above described Bonds were issued, that Citibank, N.A., Fiscal Agent, has selected by lot for redemption on May 1, 1983 through the operation of the Sinking Fund, \$1,617,000 principal amount of said Bonds at the Sinking Fund redemption price of 100% of the principal amount thereof, together with accrued interest to the date fixed for redemption. The serial numbers of the Bonds selected by lot for redemption are as follows:

342	1319	2292	2250	4913	0914	0911	0926	10113	11111	12190	12948	13994	14519	15322	16083	16782
7	1353	2298	2298	4928	0925	0918	0904	10228	11228	12197	12966	13770	14518	15329	16102	16789
96	1371	2301	2301	4930	0929	0919	0905	10229	11229	12198	12967	13771	14519	15330	16111	16790
107	1372	2302	2302	4931	0930	0920	0906	10230	11230	12199	12968	13772	14520	15331	16112	16791
112	1380	2303	2303	4932	0931	0921	0907	10231	11231	12200	12969	13773	14521	15332	16113	16792
121	1440	2304	2304	4933	0932	0922	0908	10232	11232	12201	12970	13774	14522	15333	16114	16793
129	1445	2305	2305	4934	0933	0923	0909	10233	11233	12202	12971	13775	14523	15334	16115	16794
134	1450	2306	2306	4935	0934	0924	0910	10234	11234	12203	12972	13776	14524	15335	16116	16795
139	1455	2307	2307	4936	0935	0925	0911	10235	11235	12204	12973	13777	14525	15336	16117	16796
144	1460	2308	2308	4937	0936	0926	0912	10236	11236	12205	12974	13778	14526	15337	16118	16797
149	1465	2309	2309	4938	0937	0927	0913	10237	11237	12206	12975	13779	14527	15338	16119	16798
154	1470	2310	2310	4939	0938	0928	0914	10238	11238	12207	12976	13780	14528	15339	16120	16799
159	1475	2311	2311	4940	0939	0929	0915	10239	11239	12208	12977	13781	14529	15340	16121	16800
164	1480	2312	2312	4941	0940	0930	0916	10240	11240	12209	12978	13782	14530	15341	16122	16801
169	1485	2313	2313	4942	0941	0931	0917	10241	11241	12210	12979	13783	14531	15342	16123	16802
174	1490	2314	2314	4943	0942	0932	0918	10242	11242	12211	12980	13784	14532	15343	16124	16803
179	1495	2315	2315	4944	0943	0933	0919	10243	11243	12212	12981	13785	14533	15344	16125	16804
184	1500	2316	2316	4945	0944	0934	0920	10244	11244	12213	12982	13786	14534	15345	16126	16805
189	1505	2317	2317	4946	0945	0935	0921	10245	11245	12214	12983	13787	14535	15346	16127	16806
194	1510	2318	2318	4947	0946	0936	0922	10246	11246	12215	12984	13788	14536	15347	16128	16807
199	1515	2319	2319	4948	0947	0937	0923	10247	11247	12216	12985	13789	14537	15348	16129	16808
204	1520	2320	2320	4949	0948	0938	0924	10248	11248	12217	12986	13790	14538	15349	16130	16809
209	1525	2321	2321	4950	0949	0939	0925	10249	11249	12218	12987	13791	14539	15350	16131	16810
214	1530	2322	2322	4951	0950	0940	0926	10250	11250	12219	12988	13792	14540	15351	16132	16811
219	1535	2323	2323	4952	0951	0941	0927	10251	11251	12220	12989	13793	14541	15352	16133	16812
224	1540	2324	2324	4953	0952	0942	0928	10252	11252	12221	12990	13794	14542	15353	16134	16813
229	1545	2325	2325	4954	0953	0943	0929	10253	11253	12222	12991	13795	14543	15354	16135	16814
234	1550	2326	2326	4955	0954	0944	0930	10254	11254	12223	12992	13796	14544	15355	16136	16815
239	1555	2327	2327	4956	0955	0945	0931	10255	11255	12224	12993	13797	14545	15356	16137	16816
244	1560	2328	2328	4957	0956	0946	0932	10256	11256	12225	12994	13798	14546	15357	16138	16817
249	1565	2329	2329	4958	0957	0947	0933	10257	11257	12226	12995	13799	14547	15358	16139	16818
254	1570	2330	2330	4959	0958	0948	0934	10258	11258	12227	12996	13800	14548	15359	16140	16819
259	1575	2331	2331	4960	0959	0949	0935	10259	11259	12228	12997	13801	14549	15360	16141	16820
264	1580	2332	2332	4961	0960	0950	0936	10260	11260	12229	12998	13802	14550	15361	16142	16821
269	1585	2333	2333	4962	0961	0951	0937	10261	11261	12230	12999	13803	14551	15362	16143	16822
274	1590	2334	2334	4963	0962	0952	0938	10262	11262	12231	13000	13804	14552	15363	16144	16823
279	1595	2335	2335	4964	0963	0953	0939	10263	11263	12232	13001	13805	14553	15364	16145	16824
284	1600	2336	2336	4965	0964	0954	0940	10264	11264	12233	13002	13806	14554	15365	16146	16825
289	1605	2337	2337	4966	0965	0955	0941	10265	11265	12234	13003	13807	14555	15366	16147	16826
294	1610	2338	2338	4967	0966	0956	0942	10266	11266	12235	13004	13808	14556	15367	16148	16827
299	1615	2339	2339	4968	0967	0957	0943	10267	11267	12236	13005	13809	14557	15368	16149	16828
304	1620	2340	2340	4969	0968	0958	0944	10268	11268	12237	13006	13810	14558	15369	16150	16829
309	1625	2341	2341	4970	0969	0959	0945	10269	11269	12238	13007	13811	14559	15370	16151	16830
314	1630	2342	2342	4971	0970	0960	0946	10270	11270	12239	13008	13812	14560	15371	16152	16831
319	1635	2343	2343	4972	0971	0961	0947	10271	11271	12240	13009	13813	14561	15372	16153	16832
324	1640	2344	2344	4973	0972	0962	0948	10272	11272	12241	13010	13814	14562	15373	16154	16833
329	1645	2345	2345	4974	0973	0963	0949	10273	11273	12242	13011	13815	14563	15374	16155	16834
334	1650	2346	2346	4975	0974	0964	0950	10274	11274	12243	13012	13816	14564	15375	16156	16835
339	1655	2347	2347	4976	0975	0965	0951	10275	11275	12244	13013	13817	14565	15376	16157	16836
344	1660	2348	2348	4977	0976	0966	0952	10276	11276	12245	13014	13818	14566	15377	16158	16837
349	1665	2349	2349	4978	0977	0967	0953	10277	11277	12246	13015	13819	14567	15378	16159	16838
354	1670	2350	2350	4979	0978	0968	0954	10278	11278	12247	13016	13820	14568	15379	16160	16839
359	1675	2351	2351	4980	0979	0969	0955	10279	11279	12248	13017	13821	14569	15380	16161	16840
364	1680	2352	2352	4981	0980	0970	0956	10280	11280	12249	13018	13822	14570	15381	16162	16841
369	1685	2353	2353	4982	0981	0971	0957	10281	11281	12250	13019	13823	14571	15382	16163	16842
374	1690	2354	2354	4983	0982	0972	0958	10282	11282	12251	13020	13824	14572	15383	16164	16843
379	1695	2355	2355	4984	0983	0973	0959	10283	11283	12252	13021	13825	14573	15384	16165	16844
384	1700	2356	2356	4985	0984	0974	0960	10284	11284	12253	13022	13826	14574	15385	16166	16845
389	1705	2357	2357	4986	0985	0975	0961	10285	11285	12254	13023	13827	14575	15386	16167	16846
394	1710	2358	2358	4987	0986	0976	0962	10286	11286	12255	13024	13828	14576	15387	16168	16847
399	1715	2359	2359	4988	0987	0977	0963	10287	11287	12256	13025	13829	14577	15388	16169	16848
404	1720	2360	2360	4989	0988	0978	0964	10288	11288	12257	13026	13830	14578	15389	16170	16849
409	1725	2361	2361	4990	0989	0979	0965	10289	11289	12258	13027	13831	14579	15390	16171	16850
414	1730	2362	2362	4991	0990	0980	0966	10290	11290	12259	13028	13832	14580	15391	16172	16851
419	1735	2363	2363	4992	0991	0981	0967	10291	11291	12260	13029	13833	14581	15392	16173	16852
424	1740	2364	2364	4993	0992	0982	0968	10292	11292	12261	13030	13834	14582	15393	16174	16853
429	1745	2365	2365	4994	0993	0983	0969	10293	11293	12262	13031	13835	14583	15394	16175	16854
434	1750	2366	2366	4995	0994	0984	0970	10294	11294	12263	13032	13836	14584	15395	16176	16855
439	1755	2367	2367	4996	0995	0985	0971	10295	11295	12264	13033	13837	14585	15396	16177	16856
444	1760	2368	2368	4997	0996	0986	0972	10296	11296	12265	13034	13838	14586	15397	16178	16857
449	1765	2369	2369	4998	0997	0987	0973	10297	11297	12266	13035	13839	14587	15398	16179	16858
454	1770	2370	2370	4999	0998	0988	0974	10298	11298	12267	13036	13840	14588	15399	16180	16859
459	1775	2371	2371	5000	0999											

## UK NEWS

## HOPES RISE AS MEETINGS ARE CALLED

## Unions get the peace plans in car disputes

BY JOHN LLOYD, LABOUR EDITOR

FORMULAS aimed at ending the disputes in Britain's two major motor manufacturers will be put to shop stewards and mass meetings today and tomorrow.

The 5,000 workers at British Leyland's assembly plant at Cowley, where the company's new medium-sized Maestro car is built, will today receive a letter from the company outlining a plan to phase out the traditional three minutes "cleaning-up" time during the next few weeks.

They will also be told that Cowley could soon move to "audited plant status" under which higher bonuses could be earned.

Shop stewards will hold mass meetings tomorrow to discuss the new proposals - though the feeling at present is that they will not be sufficient to ensure a return to work.

The company said yesterday it would not offer an extra bonus to remove the cleaning-up time, which is unique to the Cowley plant.

A spokesman said: "Our position is quite firm and quite clear - if Cowley is to improve its efficiency then these minutes have to be removed."

Hopes for a breakthrough in the strike at Ford's Halewood plant,

which today enters its fourth week at a cost in lost production of about £75m, depend on the outcome of a meeting this morning between Mr Ron Todd, the senior national officer of the Transport and General Workers' Union and local union officials.

Mr Todd will outline a formula reached by union and company officials last week at the Advisory, Conciliation and Arbitration Service, under which production will resume while a three-strong inquiry team investigates the cause of the dispute.

The strike began after a line worker, Mr Paul Kelly, was dismissed for allegedly damaging a bracket in a car under production.

An issue still unresolved between the two sides is payment for Mr Kelly while the inquiry takes place. The company has proposed an extra payment, while the union wants a payment in line with his average wage.

A separate dispute looms at the plant over plans to offer redundancy payments to about 1300 workers.

Compromise proposals aimed at ending the three-week strike of dockers in the Port of London seem likely to be agreed at a meeting be-

tween the Port of London Authority and the Transport and General Workers' Union tomorrow.

The strike, which now involves some 4000 dockers and lightermen, is over a claim by the dockers for parity with minimum rates of pay enjoyed by tally clerks in the port.

The new proposals, thrashed out by the local arbitration council late on Thursday night, go some way towards achieving parity between the two groups, but stop short of the dockers' demand for a minimum wage.

It is understood that the formula includes extra holiday pay and productivity payments.

These will be discussed by management and union officials in the enclosed docks joint industrial council tomorrow, and are likely to be put, possibly with a recommendation to accept, to a mass meeting on Thursday.

The dispute is reckoned to have cost the Port of London Authority £2.5m, and has wiped out the £2m-£3m profit expected for the past financial year.

The authority said yesterday cargo had been diverted to other UK ports, or to Continental ports for later transshipment.

## Six Conservative MPs likely to end up without seats

BY JOHN HUNT

IT now seems likely that about six Conservative MPs will be left without seats for the next general election as a result of the extensive changes to constituency boundaries.

About 12 MPs are still looking for a safe Tory constituency, but as the selection process comes to an end the chances of finding one become more and more remote.

About 300 constituency Conservative parties have chosen their prospective candidates and about 280 of the party's sitting MPs are unaffected by the boundary changes.

There are fewer than 70 constituencies where the choice is still being made and the number is dwindling rapidly.

Sitting MPs who find themselves without at the end of the day will be encouraged to seek election to the European Parliament and any applications from them will be sympathetically considered.

The failure to select Mr Keith Stainton for either part of his present constituency of Sudbury and Woodbridge has angered many local Tories. His constituency will be divided into Suffolk Coastal and South Suffolk.

Suffolk Coastal has gone to Mr John Selwyn Gummer, MP for Eye

and Under-Secretary for Employment, and Mr Tim Ivo, director of the Spastics Society, has been chosen for South Suffolk.

A South Suffolk Conservative Action Group has been formed which hopes to bring the matter before a general meeting of the constituency association and to protest at the failure to select Mr Stainton.

Sir Anthony Grant, who sat for Harrow Central for 18 years, failed to be selected for the new Harrow East which absorbs a large part of his old constituency. Instead Mr Hugh Dykes, present MP for Harrow East, has been chosen.

Sir Anthony is a former vice-chairman of the Conservative Party who had special responsibility for selection of candidates.

Mr Nicholas Fairbairn, former Solicitor-General for Scotland, will know his fate in about a week's time. He is on the list for his present constituency of Kinross and West Perthshire, much of which has been taken into other constituencies under the changes.

Mr William Walker, the present MP for Perth and East Perthshire, has been adopted for the new Tayside North, which takes in the northern slice of Mr Fairbairn's constituency.

## NOTICE OF REDEMPTION

To the Holders of

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E.N.I.

(National Hydrocarbons Authority)

6 3/4 % Sinking Fund Debentures due November 1, 1988

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on May 1, 1983 at the principal amount thereof \$490,000 principal amount of said Debentures, as follows:

Outstanding Debentures of U.S. \$1,000 Each of Prefix "M" Bearing Serial Numbers Ending in the Following Two Digits:

21 47 70 73 75

Also Debentures of U.S. \$1,000 Each of Prefix "M" Bearing the Following Serial Numbers:

68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000

On May 1, 1983, there will become due and payable upon each Debenture the principal amount thereof, in such coin or currency of the United States of America as on said date is legal tender for the payment thereof in public and private debts, at the option of the holder, either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, N.Y. 10015, or (b) subject to any laws and regulations applicable thereto with respect to the payment, currency of payment or otherwise in the country of any of the following offices, at the principal office of Banca Nazionale del Lavoro in Rome or the principal office of Banca Commerciale Italiana in Milan or the main offices of Morgan Guaranty Trust Company of New York in London, Brussels, Paris or Frankfurt or the main office of Algemeene Bank Nederland N.V. in Amsterdam or the main office of Kredietbank S.A. Luxembourg in Luxembourg-Ville.

Debentures surrendered for redemption should have attached all unattached coupons appurtenant thereto. Coupons due May 1, 1983 should be detached and collected in the usual manner.

From and after May 1, 1983 interest shall cease to accrue on the Debentures herein designated for redemption.

ENTE NAZIONALE IDROCARBURI

By: MORGAN GUARANTY TRUST COMPANY OF NEW YORK, Fiscal Agent

## NOTICE

The following Debentures previously called for redemption have not as yet been presented for payment:

DEBENTURES OF U.S. \$1,000 EACH

36-7645 7657 7666 7676 7702 7705 7719 7725 7737 7734 7705 18402 18405 18457

## Draft report tries to bring uniformity to pension accounts

BY CHRIS CAMERON-JONES

A FIRST attempt to bring some uniformity to the pension fund jungle in UK company financial reporting is ready for publication, in draft form, by the accountancy profession.

This was announced by the Accounting Standards Committee (ASC) which has had a working party examining for a year how companies should disclose the costs and liabilities related to employees' pension arrangements.

Disclosure about pension funds, which for most companies are a major financial commitment, is required to be made this year under the 1981 Companies Act. The ASC exposure draft on the subject will represent the first real guidance on the way to satisfy the legislation and should be released before the end of April.

Though the outline proposals describe what should be mentioned in the actuaries' reports, they leave the much tougher problem of actual valuation methods used for further consideration.

Basically they mean that companies accounts would have to show arrangements for pensions in an understandable manner; any legal obligation made to maintain the solvency of a fund; how a scheme is paid for; and the accounting policy employed.

They would also have to reveal the charge made in the profit and loss accounts, pointing out any special payments, and any commitment to change the rates of contributions in future.

Comments on the draft documents will be sought from interested parties during the next six months.

It was also reported yesterday that final approval has been given to the accounting standard dealing with foreign currency transactions which will be published on April 18, effective from April 1, 1983.

In this standard, SSAP20, the accountants have bowed to objections from the banks on how to treat the effects of foreign exchange move-

ments by dodging the main controversial areas.

Overall application of the standard is aimed at making reported profits of companies more realistic by removing many of the effects of unrealised gains and losses arising from exchange movements.

Reference to "distributable profits" has been deleted and the subject is to be debated further. Second, companies which do not prepare accounts in accordance with the eighth schedule of the new Companies Act, namely banks, insurance companies and some shipping companies, are not required to disclose gains and losses on foreign currency borrowings or to make disclosure that requires distinction to be made between long and short term monetary items.

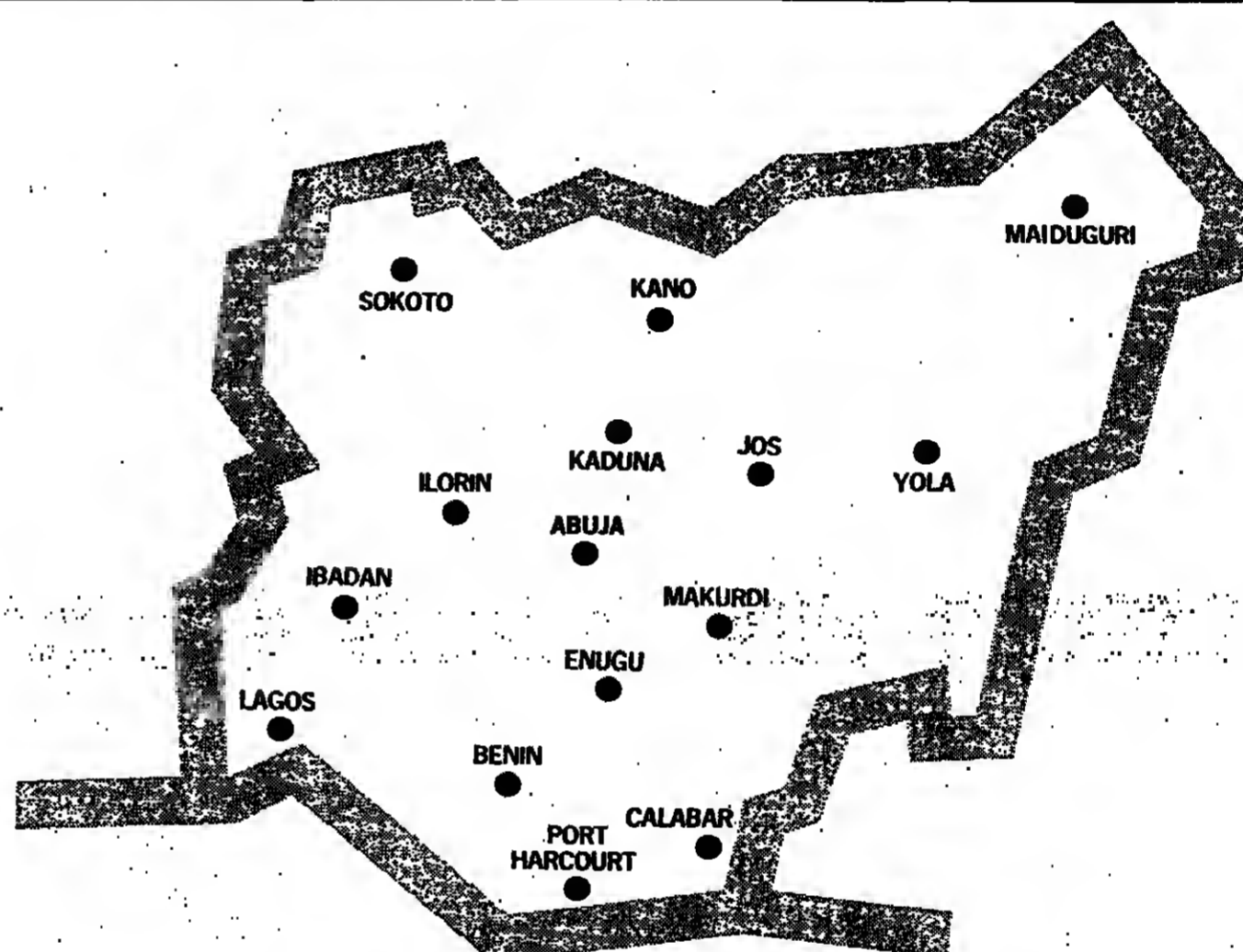
Finally the "cover procedure," under which companies match overseas borrowings to overseas investments is extended from consolidated group accounts to those of individual companies.

Eric Short writes: The Life Offices Association and the Associated Scottish Life Offices, the two main official trade bodies of the UK life assurance industry, are perturbed that the Government is not taking any action in the Finance Bill to curb tax avoidance life contracts, beyond clamping down on secondhand bonds.

It is understood that the associations intend to write jointly to Mr Nicholas Ridley, Financial Secretary to the Treasury, seeking an explanation of the official Inland Revenue attitude to tax avoidance schemes.

Last year some companies promoted bonds - the so called second-hand bonds - which enabled investors to minimise or avoid tax liabilities on life assurance bonds.

Now there has been a switch to marketing another style of plan known as the Capital and Income Bond, which is more tax efficient than secondhand bonds. Some companies are reporting sales of these bonds in excess of £1m a week.



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## UK NEWS

# 'More facts needed' on business flying

By Michael Dorn, Aerospace Correspondent

MUCH more information about the state of business flying in South-East England is essential before adequate facilities for this type of aviation can be provided there.

This broad conclusion emerges from a study prepared by a Department of Trade committee and designed to stimulate discussion on business flying facilities.

The consultation document, which the Government hopes will form the basis for detailed discussions with all interested parties, says studies have been hampered by the lack of reliable statistical information on aviation as a whole and on business aviation in the South-East.

The committee found numerous disagreements between the aviation industry and local authorities and amenity groups and says everyone is in a difficult position "through lack of an agreed measure of demand".

The consultation document (£4 post-free) is obtainable from the Department of Trade Library, Room LG37, 1, Victoria Street, London.

A London exhibition confirms a UK fashion revival

## British fabrics back on top

By ANTHONY MORETON, TEXTILES CORRESPONDENT

FABREX, WHICH opens tomorrow morning at London's Olympia, will offer further confirmation that Britain's fabric and fashion trades are back on top of the world league.

"There has been a big resurgence in British fashion," says Miss Victoria Poore, who runs the exhibition for Philbeach Events, a subsidiary of Town and City Properties. "Young British designers are coming home, such as those at Daniel Hechter."

"People are also coming to London to buy because we are an interesting place. All eyes now focus on London, which is again being hailed internationally as the fashion capital of the world."

For those nurtured in the belief that fashion begins and ends in Paris this might seem a large claim. But it is true according to all observers, except the French, and has come about despite the worst recession that the textile and clothing trades have ever known.

Fabrex has played its part in this transformation. At the end of the 1970s the fashion world was dominated by the Paris shows, the giant Interstoff fashion-and-fabric exhibition held in Frankfurt and the plethora of Italian exhibitions in Stresa, Florence and Como.

In the mid-1970s even the French had been forced to set up Première

Vision, then in Lyons, as an outlet for their fabric producers to compete with the Germans and Italians, but there was nothing in Britain even though many in the industry wanted a showcase, preferably all-British, for their goods.

Philbeach's decision to launch Fabrex in the spring of 1979, with the encouragement of the British Textile Corporation, was "a tremendous gamble" according to Miss Poore. "We were already organising the London Fashion Show, which had been going since the early 1970s, but we had no idea whether a predominantly fabric exhibition would succeed."

"However, our research encouraged us to go ahead and although we had to abandon our original plan to make it an all-British show we have certainly kept a balance which favours the home industry."

The 9th Fabrex tomorrow - the shows are held twice a year - has attracted 300 exhibitors, of which two-thirds are British - a proportion Miss Poore wants to see maintained. Some 8,000 buyers are expected from around the world.

This is small by comparison with Interstoff, which in its 20-year life has become a massive exhibition, attracting some 900 exhibitors and over 18,000 buyers.

Some British exhibitors, how-

ever, detect a falling-off in support for Interstoff, partly because of the success of Fabrex. Mr Edward Stannard, managing director of Salts of Saltaire, part of the Millingworth Morris group, is one of them. He says: "Initially it was questionable whether a home-based fair could become as significant as Interstoff but, within a couple of seasons, it was clear that Fabrex filled a considerable gap in the market."

"Fabrex is now an essential part of our sales strategy. We show at Première Vision and Interstoff as well, but Fabrex is by far the most useful in terms of orders. Interstoff is becoming less and less significant."

Part of the success of Fabrex has come through its weeding out of the smaller, weaker concerns which were among the original 100 exhibitors back in 1979 and which are still to be seen at some of the continental exhibitions.

Despite the recession, which hit Fabrex at the wrong time, just as it was being launched, the show has been helped by a trend for companies to exhibit more forcefully in their own home countries. This was always the case in Italy and Miss Poore sees it as an encouraging sign that it is also happening in Britain.

"British industry does not realise

how wealthy Britain is to sell into. Other countries recognise but one of our troubles is that Britain does not support its own industry sufficiently well."

"This is why our imports are coming in large measure from the high-cost countries such as Italy, the U.S., Germany and France. With more support from Britain, Fabrex, which gives priority to British companies, could in turn feed back into British industry."

One of the complaints that is heard is that the British effort is being dissipated through a duplication of shows. In particular, there is criticism that some of the woollen and worsted manufacturers have their own show.

British Wool Textiles at the Dorchester last week attracted 30 or so exhibitors to the club-like atmosphere generated within one of London's leading hotels.

It would seem sensible for the two to be combined, and unofficial approaches have been made to the National Wool Textile Export Corporation, which runs the Dorchester show from Bradford.

With the British Textile Corporation forecasting further redundancies in the industry as imports take an increasing share of the home market, the need is to offer a concerted approach to winning orders.

## Leyland unveils fuel-saving system

By John Griffiths

LEYLAND VEHICLES' Advanced Technology Group will today unveil a new continuously variable transmission (CVT) capable of improving fuel consumption in buses by a claimed 30 per cent.

Although initial development work is being concentrated on buses, the commercial vehicles arm of Leyland sees a far wider potential for the system, including its use for trucks, railcars, construction vehicles, agricultural machinery and tracked and all-wheel drive vehicles for civil and military use. A CVT lacks the stepped gears of conventional manual or automatic transmissions.

After three years of intensive research work, and with financial backing from the Department of Industry, Leyland believes it has a lead of up to three years in commercial vehicle CVT development.

The second phase of the project - the addition of regenerative braking - is expected to be completed within a year.

Regenerative braking involves the storing of energy, normally wasted as heat under braking, in a flywheel, which is then used to reaccelerate the vehicle.

## Sharp increase in consumer spending

BY JEREMY STONE

A SNAPSHOT of the UK economy in 1982 is provided by Government statistics just released, giving revised versions of output, incomes, profits and investments.

Real income for 1982 was about 1 per cent above its 1981 level, as measured by gross national disposable income at constant prices. The average measure of gross domestic product showed a continued gradual improvement in economic activity from the low point reached in mid-1981.

In the last quarter of 1982 this measure was more than 2 per cent

higher than in the third quarter of 1981.

Personal disposable income rose 7 per cent in 1982, but since consumer prices went up 8 per cent real personal disposable incomes fell about 1 per cent.

Consumer spending rose sharply in volume terms in the second half of 1982, running in the final quarter about 3 per cent above the average for the previous three years. This led to a fall in the ratio of savings to personal income to about 10% per cent, nearly four percentage points lower than in 1980.

## Earnings now rising faster than prices

BY ALAN FRIEDMAN, BANKING CORRESPONDENT

THE BRITISH economy is in a consumer-led recovery, with earnings rising faster than prices, a low savings ratio and minor personal tax cuts in the Budget, according to Mr Christopher Johnson, group economic adviser at Lloyds Bank.

Mr Johnson, writing in the April issue of Lloyds Bank Economic Bulletin, says that consumers are gaining from a windfall drop in the inflation rate at a time when their incomes are declining at a lesser rate. Fixed investment is also contrib-

uting to the recovery, he adds. "There is a strong revival in private housebuilding, thanks to lower interest rates, and the public sector is being pushed, sometimes reluctantly, into spending more money on capital projects when it has got into the habit of saving it," writes Mr Johnson.

On inflation, Mr Johnson says the rate will rise this year because of the fall in sterling and because of the lack of an effective incomes policy.

## BUSINESSMAN'S DIARY

### UK TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
April 6-8	Fashion Fabrex (01-931 7895)	Olympia
April 9-11	London Black Fashion and Beauty Fair (01-772 5185)	West Centre Hotel, W6
April 12-14	Coal Preparation Technology Associated with Cost Efficiency—Symposium and Exhibition (061-832 6541)	National Agricultural Centre, Kenilworth
April 18-22	International Fire, Security and Safety Exhibition and Conference (01-587 6060)	Olympia
April 19-20	All Electronics Show—ECIF (Essex) (0798 2262)	Barbican
April 19-21	2nd Exhibition of Numerical Engineering Equipment and Services (01-579 9411)	Wembley Conference Centre
April 19-21	Fibre Optics Exhibition and Conference (Essex) (0798 22612)	The Brewery, EC1
April 24-27	Incentive Marketing and Sales Promotion Exhibition (01-688 7788)	Brighton
April 24-27	Incentive Marketing and Sales Promotion Exhibition (01-688 7788)	Brighton
April 25-29	Packaging and Brewing Exhibitions—PAKEX and BREWEX (Solihull) (021 705 6709)	NEC Birmingham
April 26-28	Site Equipment Demonstration—SED 83 (01-904 9504)	Hatfield
April 28-29	International Land Reclamation Conference and Exhibition (Crumbridge Wells) (0892 44027)	Civic Hall, Essex
May 10-12	Riba Computer Conference and Exhibition (01-637 8891)	Bloomsbury-Crest Hotel

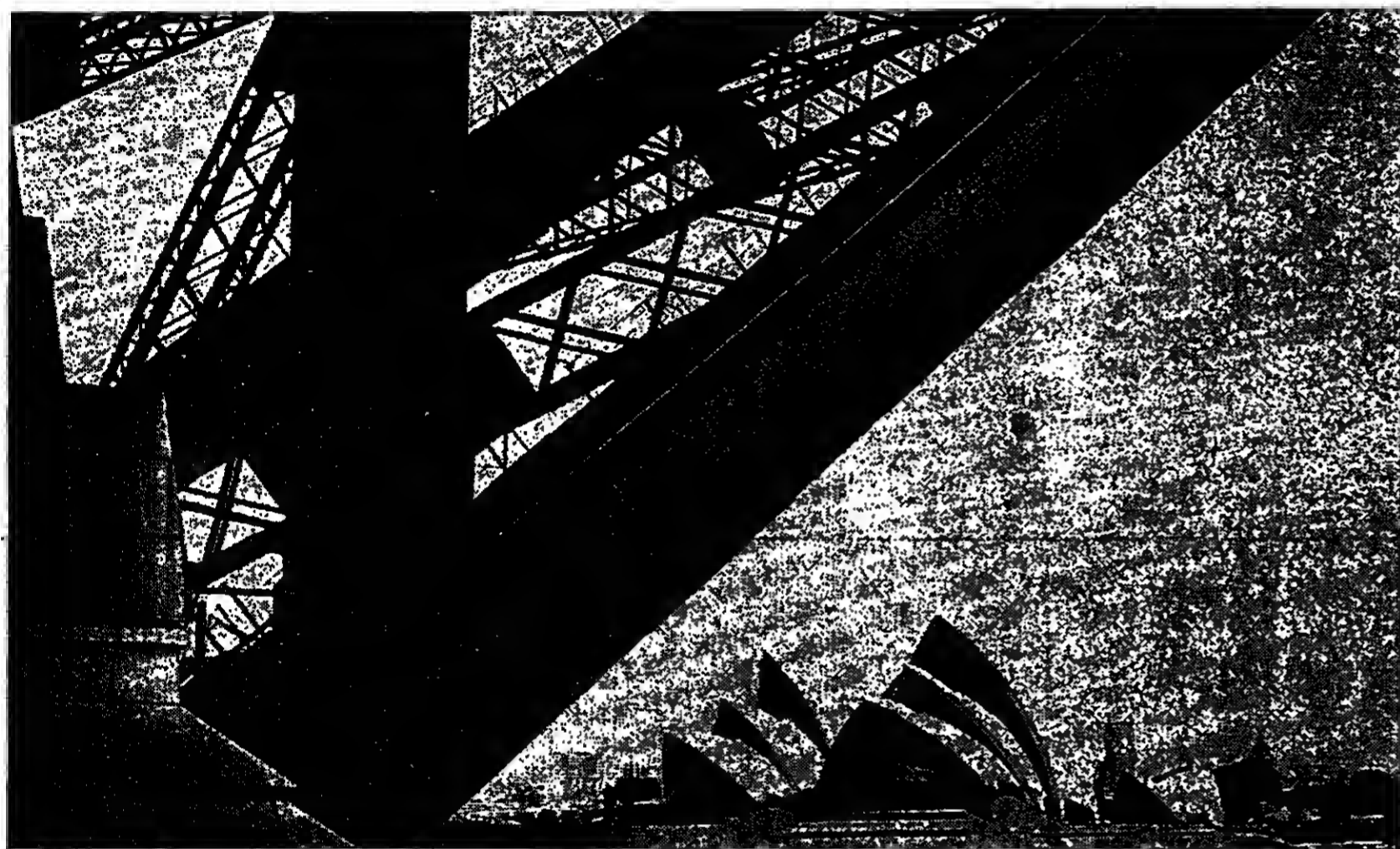
### OVERSEAS TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
April 11-13	Air Cargo '83 (0727 63213)	Amsterdam
April 12-16	WIRE-TOKYO '83—International Wire Exhibition (0727 63213)	Tokyo
April 16-25	67th Swiss Industries Fair (061 26 20 20)	Basle
April 19-22	World Dredging Congress and Trade Exhibition (Bedford) (0243 750422)	Singapore
April 19-23	World Energy Exhibition and Congress (Dorset) (0202 736645)	Hamburg
April 24-26	Construction Indonesia '84 (01-496 1951)	Jakarta
April 25-29	International Technology Fair—TECHEX '83 (01-584 5749)	Lyons
May 6-10	2nd Exhibition of Systems, Components and Materials for the Industrialised Building Sector—SICOMAT '83 (01-496 1951)	Milan
May 7-10	Manila Apparel Market Week (01-248 0742)	Philippines
May 17-20	Technology/Inper Exposition (Pittsburgh) (412-642 7589)	Pittsburgh

### BUSINESS AND MANAGEMENT CONFERENCES

Date	Title	Venue
April 5-6	Economist: Europe and Japan—prospects for interdependence (01-639 7000)	Tokyo
April 7	British Franchise Assoc: Expansion through franchising (Colnbrook) (964) 4908	Cafe Royal, W1
April 12	CB/IMS: Company Initiatives on unemployment (01-379 7400)	Centre Point, WC1
April 13-14	Energy Industries Council: Energy to the year 2000 (01-221 2043)	Brighton
April 13-15	Management Centre Europe: '83 International Tax Conference (219 43 90)	Brussels
April 14-June 2	FT Conference: FT City Course (01-621 1388)	Chartered Insurance Inst., EC2
April 15	ESC: Onshore oil exploration and production (Leics) (057 232) 2711	Selfridge Hotel, W1
April 20	Henley Centre: Budget effects on Business (01-353 9961)	Inn on the Park, W1
April 20-21	Numerical Engineering Society: Computer-aided engineering (01-578 9411)	Wembley Conference Centre
April 21-22	FT Conference: Venture capital (01-621 1388)	Caledonian Hotel, Edinburgh
April 21-22	Monadnock: Project financing (01-262 2732)	Press Centre, EC4
April 21-22	Riba: Effective professional marketing of architects' services (01-637 8891)	Britannia Hotel, Grosvenor Sq
April 26	Macfarlane: The unified securities market—year three (01-637 7438)	Press Centre, EC4
April 27	Oyez IBC: ITV—the gathering storm. Where does television go from here? (01-238 4080)	British Academy of Television Arts, W1
April 27	Staniland Hall Associates: The UK economy 1983-4 (01-582 6054)	Centre Point, WC1
May 5-6	Monadnock: Successful joint ventures in Egypt (01-262 2732)	Press Centre, EC4
May 9-11	IRS: 10th Zurich international corporate finance conference (01-637 4383)	Zurich
May 10-12	RRG: International insurance conference (01-236 2175)	Jersey
May 17-20	Lloyd's: Ocean carriers' rights and liabilities (01-247 9461)	Royal Horseguards Hotel
May 17-20	EVAF: Business research for corporate development (01-637 1221)	Hamburg

Anyone wishing to attend any of the above events is advised to telephone the organisers to ensure that there has been no change in the details published.



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## UK NEWS

NNC SEEKS NEW MARKET TO BEAT FUTURE CRISIS

## Magnox export bid

BY A CORRESPONDENT

THE National Nuclear Corporation (NNC) is making efforts to export a smaller version of the Magnox power station.

The NNC faces a critical shortage of business in a few years time and is pinning most of its hopes on a go-ahead for the Sizewell B pressurised water reactor (PWR) and the eventual development of a commercial fast breeder reactor in Britain.

The Magnox unit has a proven track record and NNC believes it has better immediate potential for export than the advanced gas-cooled reactor, the domestic performance of which will not become clear until at least 1990.

NNC's only export of nuclear plant involved two Magnox stations of 200mw and 150mw sold to Italy and Japan more than 20 years ago. A British PWR would be a strong contender in the export market, but until at least one plant is built and expertise is proven the potential is small.

Meanwhile, NNC is trying to export a 300mw Magnox unit to countries where the economy cannot justify a bigger plant. Turkey is among those interested.

Previous experience has shown

that developing countries have difficulty raising the finance and NNC also faces competition from France and the United States.

A decision on Sizewell B is not expected for at least a year and NNC's managing director, Dr Ned Franklin, has told the public inquiry that one new nuclear plant order is needed every three years to maintain and improve expertise.

The recession has reduced expectations of orders for nuclear plants. Proof of expertise in at least one British PWR is a basic requirement of any export hopes, but the possibility of a complete plant being sold abroad depends largely on the go-ahead for a domestic programme of PWRs.

NNC knows British companies would not create specialist manufacturing equipment and facilities required for the coolant system, including the pressure vessel, without being assured of a domestic programme.

For Sizewell B the contract for the coolant system will go abroad with British companies involved only as fabricators. Other equipment and facilities will, however, be provided by British firms.

The prospect of a domestic programme of PWRs now looks unlikely in the foreseeable future. The Energy Department has stressed that future power stations will be ordered on a step-by-step basis.

In any case, NNC's wish to export a PWR package anywhere will be subject to Government approval in view of its ratification of the Nuclear Non-Proliferation Treaty.

The export of PWR technology available to NNC as a licensee to the Westinghouse Corporation of the U.S. is also subject to U.S. Government agreement.

NNC will be bitterly disappointed if Sizewell B is rejected or delayed indefinitely. Staff have contributed to water reactor design and technology in the past two decades, mainly through work on the ill-fated steam generating heavy water reactor.

NNC has had past experience of working with U.S. corporations and this influenced the decision in favour of the Westinghouse design.

Agreements have been made between NNC and Westinghouse, the Bechtel Corporation, the Standardised Nuclear Unit Power Plant System utilities and Nuclear Projects Inc in the U.S.

## New sales of Boeing 757

By Michael Dorne

AIR EUROPE, the British independent airline, today becomes the third UK operator to take delivery of the new Boeing 757 twin-engine jet airliner.

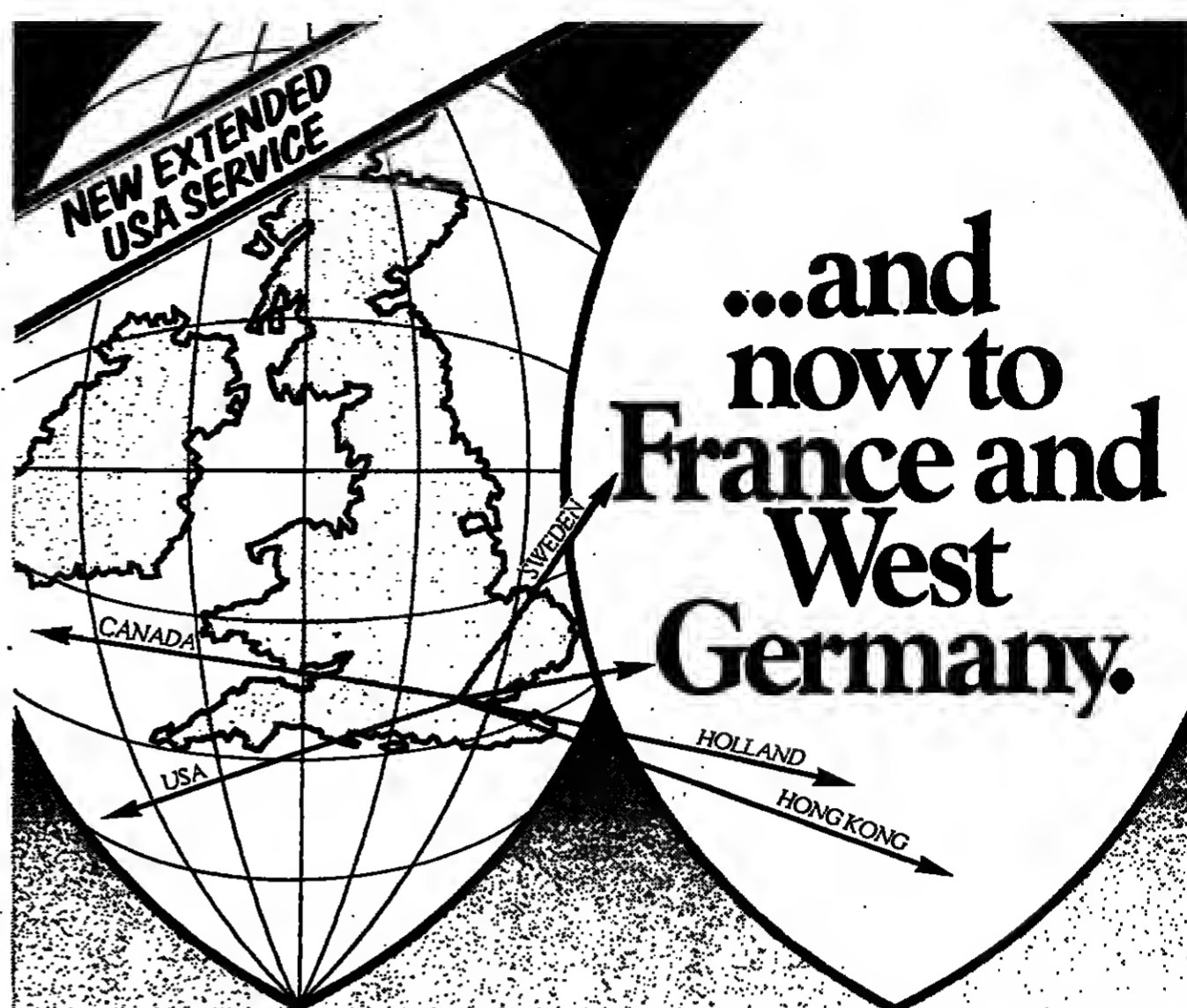
British Airways took delivery of the first of 17 of the new jets in February, while Monarch Airlines, an independent airline, took delivery of the first of three in March.

Air Europe will be operating two Boeing 757s this summer, one of them leased from British Airways. Its own second jet is due for delivery in March, next year. Air Europe is spending more than £40m on its two 757s.

The new aircraft are powered by Rolls-Royce RB-211-325C engines.

Air Europe, which is part of the Interim Leisure Group, has been profitable since its start-up in 1978. So far, cumulative pre-tax profits earned by the airline amount to nearly £3m.

The airline will be flying its two 757s and its fleet of seven Boeing 737s on holiday routes from Gatwick and other UK points to nearly 30 European destinations.



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## Congressman tries to stop steel deal

BY ALAN FORREST

U.S. CONGRESSMAN Peter Kostmayer met union leaders at a Scottish steelworks yesterday in an attempt to stop a transatlantic deal which he believes will cost too many jobs in both countries.

BSC chairman Mr Ian MacGregor's plan is that £1bn worth of steel from the threatened BSC plant at Ravenscraig, Lanarkshire, should be supplied to U.S. Steel for finishing at its Furless works in Pennsylvania. He believes that the long-term nature of the agreement would guarantee the future of steel-making at Ravenscraig until the end of the 1980s.

But Mr Kostmayer, a member of the powerful U.S. House and Foreign Affairs Committee, said after the meeting: "We are hoping we can scuttle the MacGregor deal in the U.S. and keep people working – in Furless and in Scotland."

Union leaders on both sides of the Atlantic fear that if the deal

goes through 2,000 jobs will be lost at Ravenscraig and between 2,000 and 3,000 at Furless. After yesterday's meeting at Ravenscraig, Mr Kostmayer said he was now confident the deal would not go ahead.

Mr Kostmayer said union leaders at Furless had recently signed a contract which would mean \$2,000 to \$3,000 less for their members, and in return U.S. Steel had agreed to avoid importing foreign steel.

He said he was puzzled why anyone would want to close Ravenscraig. "I wish we had a plant in Pennsylvania that was as modern."

He is hoping to meet Mrs Margaret Thatcher, the Prime Minister, and Mr Patrick Jenkin, the Industry Secretary, today before flying back to the U.S. The Government has already discussed the plan with Mr MacGregor and is concerned about getting U.S. assurances on firm commitment to a long-term deal.

## Companies say UK should stay in EEC

BY ROBIN REEVES, WELSH CORRESPONDENT

HALF of Wales's North American-owned companies and all but one of its eight Japanese manufacturing plants foresee "adverse effects on their operations" if Britain withdraws from the EEC, according to a survey by the Development Corporation for Wales.

A questionnaire sent to 82 foreign-owned companies in Wales revealed that 49 per cent of Canadian and U.S. subsidiaries and seven of the eight Japanese subsidiaries believe EEC withdrawal will damage their UK operations. Wales has nearly 200 overseas companies employing some 55,000 workers – or more than the numbers employed in the Welsh steel and coal industries.

Some 60 per cent of the companies questioned said they were first attracted towards making their investment because of the opportunities or benefits stemming from the country's EEC membership, such as

the ability to sell into continental Europe without tariff, to receive where required raw materials from the continent without restriction, or in order to benefit from financial support from EEC sources.

Furthermore, 56 per cent of North American subsidiaries in Wales, 88 per cent of Japanese companies and 34 per cent of continental companies at present export a significant part of their production to EEC countries.

The survey found that 35 per cent of North American companies, 50 per cent of Japanese companies and 31 per cent of continental companies had taken advantage of loans from the European Investment Bank or the European Coal and Steel Community for setting up and/or expanding in Wales.

The survey was carried out as part of the Development Corporation's evidence to a House of Commons select committee











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Reversing lights.  
Rear fog lamps.  
Front head restraints.  
Cloth upholstery.  
Front seat belts.  
Handbrake warning light.  
Digital clock.  
Trip recorder.  
Panel light rheostat.  
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Reversing lights.  
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A Volkswagen.

# Her Majesty's Inspectors of Taxes think they are exactly the same.

Happy New Tax Year 1983-4. Unhappily though, the taxable benefit rating on company cars is increased. Anything over 1800cc is now rated at an expensive £650. While anything between 1301cc and 1800cc is less taxing at £425. In theory then, the Ford Sierra 1.6GL and the Volkswagen Santana 1.8LX are in the same class. So much for theory.







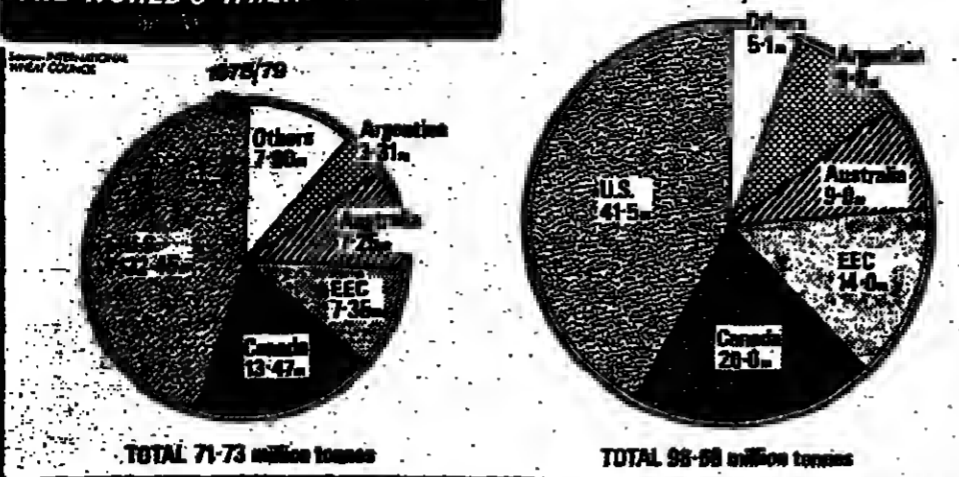


# AGRICULTURAL TRADE RELATIONS

## Why the U.S. is holding its fire

By Richard Mooney

### THE WORLD'S WHEAT EXPORTERS



TOTAL 71-73 million tonnes

TOTAL 95-98 million tonnes

Bob Hutchinson

Irrespective of the state of the market while at the same time discouraging consumption within the Community.

Disquiet is not confined to the western side of the Atlantic. It is after all, European consumers who have to pay the inflated prices and provide the tax revenue to subsidise the exports.

EEC consumer groups have been campaigning almost since the formation of the Community for greater restraint in the setting of guarantee prices and for surplus production to be used for the benefit of those who have paid for it.

The implications for world trade have also been causing concern in the Community. In 1980 the House of Lords select committee on the European Communities said: "Disposal of existing surpluses should not be governed by budgetary constraints but take into account the interest of other exporters and the Community's GATT obligations: not to use export subsidies to take an inequitable share of world markets."

The EEC's defence on this question was recently spelled out by Mr Klaus Bustrup, Denmark's representative to the EEC Committee of Agricultural Organisations (COAFA). He said that statistical evidence did not show a bigger increase in Common Market exports of farm products than U.S. products.

For example, between 1974 and 1981 the Community had expanded its share of the world flour market to 62 per cent from 55 per cent while the U.S. share

had gone up from 18 to 25 per cent, he said.

Another oft-quoted defence is that American farmers are more heavily subsidised. This argument, based on an EEC Commission calculation that U.S. farm subsidies average \$7,330 per farmer against \$4,780 in the EEC, is spurious as it ignores the fact that the average U.S. farm is ten times bigger than the average EEC farm.

More to the point are figures quoted recently by Mr John Block, the U.S. Agriculture Secretary, showing that the EEC's agricultural budget is \$300m-\$400m a year while the U.S., which is a much bigger producer, spends \$18bn.

Since the Egyptian wheat flour sale, the U.S. has held back from actual subsidisation of exports and limited itself to a series of export deals under its new blended credit programme.

This combines commercial export credit guarantees and direct interest-free credit into a single loan package to produce an interest rate below prevailing commercial levels. After spending \$500m on the scheme, Congress authorised a further tranche of \$1.25bn on January 11.

This cautious approach has angered many U.S. farm groups. "We would like to see more markets targeted for action as was Egypt for wheat flour," said Mr Robert Delano, president of the U.S. Farm Bureau.

The four sale embarras-

the Community and seriously angered the French, who were by far the biggest sufferers.

The Community cannot afford to be complacent. Its CAP expenditure, already forecast to run \$400m or 12 per cent over budget in the first four months of this year, could soar if the U.S. pushed prices lower. The EEC Commission estimates that a 10 per cent cut in world prices would cost the Community an extra \$700m in export subsidies.

The recent rise in grain prices came as a relief to the Commission, for it will reduce its subsidy costs. It will also help U.S. farmers, but has done little to reduce American inflation with the EEC, since the increase is the direct result of a U.S. policy aimed at cutting crop production—the revolutionary payment-in-kind programme.

Under this, farmers agreed to take land out of production in return for cash payments and commodities from government stocks almost equal to the yields they could have expected from the land. The rate of acceptance was much higher than had been predicted—\$2.3m hectares, or 36 per cent of all land covered by the programme.

In the west after the acceptance rate was announced, the Chicago maize price rose 22 cents to \$18.6 cents a bushel and the wheat price 13 cents to 358 cents.

So far the search for a U.S.-EEC agreement has been left to agriculture and trade ministers and officials, but there is a growing feeling that talks at a higher level will be needed.

Mr Michel Fribourg, president of Continental Grain Company, said recently he believed a settlement would only be possible when the heads of government on both sides, with the help of Foreign Ministers, recognised the need for a political solution.

This, he thought, might involve a gradual reduction over at least five years in the gap between their respective agricultural support prices. "It would be politically unrealistic," he said, "to require the EEC to a lasting solution to this mammoth problem in any shorter period."

EEC leaders will be hoping that this sort of advice will weigh heavier with the U.S. administration than the warlike demands of the farmers' lobby.

# International Monetary Reform

## The case for fixed exchange rates

By Otto Hieronymi

TODAY, FOR the first time in 10 years, there is a serious opportunity to start to rebuild a stable international monetary system, incorporating a fixed-exchange-rate standard.

Firstly, the world has come close to the end of a full inflationary/deflationary cycle. There is growing recognition that international monetary instability is not simply an expression of domestic conditions, but an autonomous source of uncertainty, and thus of reduced investment, of unemployment, stagnation and slower economic growth. Additionally, it has become clear that the UK and the U.S. appear at the top of the list of the victims of the flexible-exchange-rate system.

While the persistent undervaluation of the U.S. dollar and of the pound has been both a cause and an effect of the high inflation rates in the U.S. and Britain in the 1970s, the subsequent overshooting of these currencies in the foreign exchange markets was a major factor responsible for the depth and length of the current recession.

At present, conventional wisdom is still on the side of flexible exchange rates. The supporters of the system fall into two distinct groups: the high believers, who argue that flexible rates are intrinsically superior, and the sceptics who believe that the world has become too nationalistic, and politicians and bankers too shortsighted, to attempt to build a stable international monetary system.

The record of floating can be summed up briefly. First, exchange rates have proved to be not only occasionally, but intrinsically unstable. Thus, flexible rates have been the single most important factor responsible for the unprecedented volatility of relative prices—both domestic and international—including the extent of the two oil-price explosions.

This has put a premium on short-term speculative assets, discouraged long-term investment and has generated defensive behaviour by producers and consumers. The huge, erratic changes in net asset/debt positions also exert a

strong depressive impact on world economic activity; thus, the contractionary impact of the recent large revaluation of dollar-denominated debts is not being offset by increased spending by holders of dollar assets in the U.S. or abroad. External imbalances have also increased as a result of speculative capital movements.

Floating exchange rates have, in addition, failed to secure the customary autonomy of domestic policies. Correcting domestic disequilibria has become more onerous than under the earlier sharing of the burden of balance-of-payments adjustment. As a result, and contrary to the views of the IMF and GATT, floating has not been an effective substitute for protectionism; rather, flexible rates, through their impact on uncertainty and on the price mechanism, and hence on spending, investments, employment and growth, have become over the years the principal source of protectionism.

Since the war, international economic integration has been the single most important factor responsible for economic growth: though increased trade,

in addition, failed to secure the customary autonomy of domestic policies. Correcting domestic disequilibria has become more onerous than under the earlier sharing of the burden of balance-of-payments adjustment. As a result, and contrary to the views of the IMF and GATT, floating has not been an effective substitute for protectionism; rather, flexible rates, through their impact on uncertainty and on the price mechanism, and hence on spending, investments, employment and growth, have become over the years the principal source of protectionism.

Political factors are the main stumbling block to a return of fixed rates

Is there hope then? Politics is the art of learning and Western Governments and central banks may be coming closer, at last, to realising that the long-term losses under the present systems, in terms of profits, investments, employment and growth, far outweigh the costs of discipline under fixed exchange rates, as well as the benefits of alleged monetary independence.

Should governments act on this insight, it would not be the first time in recent history that the economics profession (which today is still largely committed to the doctrine of flexibility) would be left behind by the trend of events.

The author is head of the programme of international forecasting at the Battelle research centre in Geneva.

# Letters to the Editor

## Parliament and the Revenue

From G. R. Pinto

Sir,—When Mr Wiggan welcomed March 18th as a day when the Revenue does not enforce legislation in manner contrary to the intention stated by Ministers to Parliament, he asked for views on whether the courts should have the right to construe Hansard in aid of statutory construction.

This need can arise in two ways: the legislation may be clear, but not have the intended effect; or it may be ambiguous. In the former case, it would not seem acceptable to require the courts to declare that a statute had a meaning contrary to the way in which it would have been construed judicially, in the latter case, I understand that the courts are already accustomed to interpreting ambiguities in favour of the taxpayer, although this principle may no longer be applied to artificial tax avoidance schemes covered by the Revenue line of cases.

I therefore prefer my proposals under which the Revenue would be stopped, until parliament approved otherwise, from taking any action to impose any more onerous interpretation than that given by the courts.

However, even this solution could give rise to the courts having to construe Hansard in certain circumstances, which should be comparatively rare: (1) there might be a genuine doubt as to whether a ministerial statement had been sufficiently clear and complete for the purpose of applying, or (2) the taxpayer might be advancing the defence of estoppel because (a) the Revenue had failed to bonus ministerial statement of intentions or (b) the taxpayer was, without justification, trying in this way to delay payment of tax (which would, however, bear interest if the assessment were confirmed).

The determination of any such question should be left to the courts since, under my proposals, the result would decide whether the interpretation applied from the effective date of the statute (if the Revenue was set in the first place) or from the date parliament was asked to correct the statute (if the taxpayer won).

G. R. Pinto, 7, Lennox Gardens Mews, SW1.

## What to do about sterling

From Mr W. Grey

Sir,—According to Professor Alan Budd ("What to do about sterling," March 29), the answer to the question of whether price stability is best achieved by pursuing an exchange rate or a money supply target broadly depends on "where the economy comes from." But this raises more fundamental questions. How exactly do you fix a money supply target? How can you be sure it is the right one? And is price stability the only thing that matters anyway? Failing an answer to these questions, talk about "sound" money and about monetary policy being "on course" is surely meaningless.

For example, we are told "in retrospect," 1980 saw "a massive internal shock which led, later, after a large shift in the demand for money," followed by "considerable overshooting" of the money supply targets. Clearly, if, despite such changes in velocity being both notoriously hard to predict and not immediately apparent, the right money supply targets had been set in the first place, it cannot also have been right subsequently to over-shoot them. More to the point, the wisdom of a given monetary (and, for

that matter, fiscal) policy can be judged only in the light of other criteria—the exchange rate included.

Again, we are this time forewarned, were the Government now, in response to the external shock administered by the fall in oil prices, to switch to an exchange rate target, "it would have to be tight enough or not, failure to adopt an exchange rate target, and thus internally act to stop the pound falling further, would itself run counter to the Government's anti-inflationary strategy."

Professor Budd was, of course, quite right to insist that no simple rule meets every case. But the implication that money supply and exchange rate targets are alternatives, to be forced at different times, should be resisted no less than any inference that price stability, however desirable, is the sole test of economic virtue.

W. Grey, 12, Arden Road, Finchley, N3.

## Rates versus sales tax

From Mr Desmond Goch

Sir,—I read with dismay your report (March 28) that despite the findings of a Cabinet Committee report, the Prime Minister intends to pursue the idea of replacing rates with a local sales tax.

The present rating system has many defects—not least because of multi-occupations of some domestic premises—but the creation of a local sales tax system would seem to open the way to a host of new opportunities for avoidance and evasion, for a one does not need to have a very vivid imagination to envisage the cost implications of the raft of bureaucratic overheads that would be created—and then have to be paid for.

The real problem behind local rates has, until the past year or so, been the lack of firm central government control

over manpower costs—and not least at county level where the spenders are to some extent insulated from the electoral consequences of their decisions by the district and borough councils who have to incorporate the collection of county revenue in their own rate demands.

Having achieved some success in the current round of rating decisions, the Government ought not to be deflected from its real task by notions of tinkering with the method of raising levies. It matters very little which of our pockets the money is withdrawn from but we are concerned that the total amount extracted is kept to the minimum and then spent wisely.

Having said that, however, there seems to be some merit in the proposal to fund educational salaries and related costs from central government.

Desmond Goch, 4, Paddock Wood, Harpenden, Herts.

## Investment in pharmaceuticals

From Mr A. C. Askwith

Sir,—I was interested and amused by the manner in which you reported the intended intervention by Government in the pharmaceutical industry's return on capital employed (March 28). You referred to a 35 per cent rate of return on capital employed and stated that this compared with an average 4 and 5 per cent for British industry.

The apparent criticism by your correspondent of one of the few successful industries in the UK contrasts with the exhortation from the media, Government and other voyeurs that what British industry needs is greater capital investment and greater investment in R and D and new technology. To which industries are these remarks addressed? Those, by inference, well behaved industries which return only 4 and 5 per cent on capital employed and again by inference are not expected to keep the UK as a major producer of their products since it is that which the article acknowledges is behind the need for the 35 per cent rate of return. There appears to be a puzzling contradiction, surprising in a newspaper otherwise well in step with industrial needs.

I am concerned at what appears to be a deep-rooted objection to providing a return on capital, which reflects the need to invest in innovation and to take risks.

A. C. Askwith, New Product Management Group, PO Box 22, Lincoln's Inn Fields, WC2.

## Stamp Duty disincentive

From Mr R. D. Douglas-Hughes

Sir,—I was astonished to read your article contained in the Financial Times of March 28th concerning the proposal to amend stamp duties. Mr John Wakeham, Minister of State at the Treasury seemed to be suggesting that stamp duty is only payable on a house purchase when a solicitor is negligent.

It is difficult enough for solicitors to explain to their clients the nature of this tax without unhelpful remarks of this sort. Few people really understand stamp duty and some even think it is another hidden solicitors charge. It is in fact a very often on moving. The unemployed are often encouraged to refrain and move to where jobs are and for this reason alone this tax should be abolished.

R. D. Douglas-Hughes, 65, High Street, Saffron Walden, Essex.

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# SECTION II - COMPANIES AND MARKETS

## FINANCIAL TIMES

Tuesday April 5 1983

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### INTERNATIONAL CREDITS

## Portugal submits to tough terms Delors cheers the bond market

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

PORTUGAL has caved in to demands from its creditor banks for significantly tougher terms on its forthcoming major Euroloan. Not only has the amount of the loan been cut as expected to \$300m from \$400m, but Portugal has agreed to pay spreads at the top end of its previous negotiating position. Specifically these are 1/2 per cent over London Eurodollar rates for seven years or 0.45 per cent over U.S. prime rate. Unusually for a prime-based deal there is to be no provision for protecting Portugal against excessive interest costs if the prime rate is held artificially high by U.S. banks. These are the terms of an informal agreement reached at the end of last week between Portugal and a few of its major foreign bankers who are putting together a fully underwritten offer. Only when that is done will Portugal openly admit to the extent to which it has had to revise the terms on offer. Originally it was seeking a \$400m loan at a margin of 0.3 per cent over prime of 1/2 per cent over London interbank offered rate (Libor), but from the outset the margins were deemed too low by the market. Portugal's problem was that it had to have a deal at almost any price once its plans were announced. To fail conspicuously would have meant jeopardising an already rather vulnerable credit rating and meant at best a very steep rise in margins on future loans.

The Portuguese debacle has reminded some bankers of last summer when Venezuela disdainfully dismissed an offer from a group of leading international banks for a \$2m credit. This was on the grounds that its margins, ranging up to 1 1/4 over Libor and 1/2 per cent over Prime were too high. It never got the money and now is having to reschedule its debt on substantially higher margins. Elsewhere, talks between Chile and its leading bank creditors continued last week in an effort to find a formula for rescheduling some \$3.5bn falling due this year and next, as well as providing about \$1.2bn in new loans.

resist market forces in this way, but the question now is whether even these higher spreads will be enough to get its loan off the ground. Here the market is very confused, with some bankers saying that Portugal is in fact paying more than it needs to and others saying that the terms are not that generous. The latter school points to the continuing slow progress of Greece's \$500m loan with its 1/2 per cent margin over Libor. Meanwhile, talks between Chile and its leading bank creditors continued last week in an effort to find a formula for rescheduling some \$3.5bn falling due this year and next, as well as providing about \$1.2bn in new loans.

### FRENCH FINANCIAL COMMUNITY TAKES HEART

BY DAVID MARSH IN PARIS

THE FRENCH bond market, the focus of the Government's efforts to dredge new channels for the country's savings flows, has given a resounding thumbs up to the economic austerity measures promulgated 10 days ago to prop up the franc. Hardly interrupted by the municipal elections at the start of the month and the devaluation of the franc within the European Monetary System (EMS) towards the end of it, the capital market yields continued to tumble throughout March. New issues brought to market during the month amounted to about FF 17bn, taking the total during the first quarter of 1983 to about FF 50bn, a rise of nearly 50 per cent compared with the same period of 1982. The financial markets - including the Paris bourse, where share prices were again firm last week, and have risen by 15 per cent since the start of the year - have reacted in a classic way to what has been a classic deflation package aimed at reining in excessive domestic demand. The measures, aimed at cooling down the economy by taking FF 65bn out of circulation this year, will clearly depress activity. This helps to explain the grudging response the moves have received from the Patronat employers' federation, which complains that the package does not help industry. But the financial community has been heartened by the confirmation of M Jacques Delors, the Finance Minister and a key proponent of economic orthodoxy, as the strongman of the Socialist government. And, more specifically, the bond market has reacted with undisguised pleasure to the announcement by M Delors that the measures will cut public borrowing (both by central government and state agencies) this year by around FF 40bn. Together with the abatement of pressures on the franc after the EMS realignment, slackening borrowing should ensure that French interest rates maintain their steady downward path over the next few months. M Delors hopes, in particular, that less competition from official borrowers should allow more room for private sector enterprises to raise funds on the capital market - although there has been little sign of this so far this year. Apart from the Government itself, which raised FF 10bn in a bond issue in early February, the bond market has been dominated in 1983 by the classical state agencies - the railways, coal board, telephones and financial institutions such as Credit Foncier. The banks, which use funds garnered from bond issues to raise their lending limits under France's "encadrement" system of credit ceilings, have also profited from the primary issue boom. Last month alone all the Big Three nationalised banks came to the market, for a total of FF 5.6bn, while the big co-operative banking groups have also been heavy fund-raisers. So far, however, industrial companies have given the bond market

### International Capital Markets Review

a miss - although new issues on the equity market have been proceeding at about double last year's level. According to Credit Lyonnais statistics, for the first two months of the year (the three months' figures are not yet available), bond issues by industrial and commercial companies came to only FF 500m, against FF 21bn for the whole of 1982. The single most important reason for the popularity of bond issues this year has been high interest rates at a time of gently declining inflation. Yields on state bond issues of

more than seven years' life are now 13.68 per cent, according to the indices calculated by Paribas. This is 0.60 points down from the end of February, a fall of just over 1 point since the beginning of the year, but still offers a healthy real return when inflation is in the 9 to 10 per cent range. Yields on private sector issues - where the risk, of course, is judged greater - are about 15 per cent. Stringent exchange controls which permit investment on foreign securities markets only by buying foreign exchange at a considerable premium have also contributed to domestic bond demand. With alternative investment havens such as gold or property still looking relatively dull, and with the Government trying to make short-term deposits less attractive through fiscal and other devices, more and more individual savers are turning towards the capital market as a home for their spare funds.

### BOND MARKETS

## Salomon seeks out unsatisfied demand

BY MARY ANN SIEGHART IN LONDON

THE CLASSIC way to make money in the bond market - or any other market for that matter - is to discover a pocket of unsatisfied demand and to supply it. Often, the resulting innovation is not an original idea in itself, but a combination of old ones put together in a new way. Salomon Brothers has come up with just such an idea. The unsatisfied demand is from the managers of the new U.S. "money market accounts", the interest-bearing current accounts that were set up by savings and loan (S & L) banks last December in an attempt to compete with money market funds. Since then, more than \$20bn has been paid in. These S & L institutions are generally small and regional. They have had little or no exposure to the Euromarkets, but they need stable, high-yielding, floating-rate investments with which to match their liabilities. Salomon, with its background of

ly through the U.S., will have to have the right contacts. Of the houses involved in the Euromarket, Salomon and Merrill Lynch, with its huge money market funds, seem to be best qualified. There may well be some activity there in the next two or three weeks. Meanwhile, Eurodollar market participants are observing events with interest. One remarked last week, "It's a hell of a product. I'll be interested to see how far it'll go." Elsewhere in the Eurodollar market, investor demand was low, but the only two new issues were from good names and sold quickly at small discounts. BMW and Gasunie both floated \$50m, par-priced bonds with a coupon of 10 1/2 per cent; BMW's with an eight-year maturity, and Gasunie's with a life of seven years. But Dresler Bank had to support its issue so heavily in order to prevent its price from falling to a heavy discount that it ended up

with at least \$65m worth of its \$100m issue. It underwrote \$30m, took back \$1m from each of its 23-strong co-management team and then bought in the market at the beginning of last week. By Thursday, however, the shortage of bonds was so acute that some dealers who had gone short were forced to buy at between 98 1/4-99. Obviously it is desirable that lead managers look after their issues if they look likely to languish, but as one new issue manager pointed out last week, "Why bother to have a public offering if you're going to buy them all back again?" The Swiss market was helped last week by a decline in new issue activity. Over the past two weeks, four potential borrowers have postponed their issues, and volume has been much lighter. One Swiss banker remarked dryly, "The market needs some self-discipline; the Japanese have killed it for themselves."

### CURRENT INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Maturity	Avg. life years	Coupon %	Price	Lead Manager	Offer yield %
U.S. DOLLARS							
BMW	50	1991	8	10 1/2	100	Morgan Guaranty	10.625
Med. Gasunie	50	1990	7	10 1/2	100	SBC	10.625
D-MARKS							
BMW	200	1993	10	7 1/2	99 1/2	Dresler Bank	7.824
World Bank	300	1993	10	7 1/2	100	Dresler Bank	7.580
World Bank	100	1991	2	8 1/4	100	West LB	8.250
World Bank	50	1991	8	7 1/2	100	Bay. Landesbank	7.375
SWISS FRAMES							
Swissair	40	1988	-	3 1/2	100	SBC	3.750
Swissair	100	1983	-	5 1/4	100	SBC	5.750
Swissair	30	1988	-	4 1/4	100	CS	-
U.K. FRAMES							
British Airways	600	1993	8.96	10 1/4	100	Bayer, Int. & Lux.	10.750
British Airways	250	1990	5.2	12 1/2	100 1/2	Bayer, Int. & Lux.	12.140
ECU							
Deutsche National	50	1993	10	12 1/4	-	Credit Lyonnais, Kreditbank Lux., BNP	-
YEN							
Yamaguchi	500	1993	9	8.5	99.85	Yamaguchi Secs.	8.122

\* Not yet priced. † Fixed terms. \*\* Placement. † Floating rate notes. ‡ Medium. \$ Convertible. Notes: Yields are calculated on ARD basis.



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Banque Paribas	Banque de Paris et des Pays-Bas (Suisse) S.A.	Banque Nationale de Paris
Berliner Handels- und Frankfurter Bank	Blyth Eastman Paine Webber International Limited	Baring Brothers & Co., Limited
Chase Manhattan Capital Markets Group	Chemical Bank International Group	CIBC Limited
Citicorp Capital Markets Group	Compagnie de Banque et d'Investissements, CBI	Credit Lyonnais
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Dresdner Bank	Effektenbank-Warburg Aktiengesellschaft	Enskilda Securities
Gefina International Ltd.	Genossenschaftliche Zentralbank AG	Girozentrale und Bank der Oesterreichischen Sparkassen
Goldman Sachs International Corp.	Hambros Bank Limited	Hill Samuel & Co. Limited
E. F. Hutton International Inc.	IBJ International Limited	Kidder, Peabody International Limited
Kreditbank N.V.	Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)	Kleinwort, Benson
Kuwait International Investment Co. S.A.K.	Kuwait Investment Company (S.A.K.)	Lazard Freres et Cie
Lehman Brothers Kuhn Loeb International, Inc.	Lloyds Bank International Limited	LTCB International Limited
Morgan Stanley International	The Nikko Securities Co., (Europe) Ltd.	Nippon Credit International (HK) Ltd.
Nomura International Limited	Orion Royal Bank Limited	N.M. Rothschild & Sons
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## BUILDING AND CIVIL ENGINEERING

## UK team pitches for Saudi Arabia 200 project

**WILDLIFE** expert Tony Slesinger is used to his game, though nothing quite so enormous as the £1bn Saudi Arabian zoo project which, with his help, might soon be netted by a team of UK consultants.

A decision on whether or not to proceed with the scheme is expected within two to three months and the British reckon that, given the go-ahead, they are in pole position to pick up the job.

As chief executive of Wildlife Management Consultants, Slesinger is a globe-trotting animal buff who delights in providing wild animals and animal advice to those in need.

It was on a visit to Saudi Arabia in 1981 that he was invited by a local consultancy to make a submission for an ambitious zoological gardens scheme planned for nearly 1,500 acres of sandy, mountainous land on the outskirts of Jeddah. The site flanks the Mecca road and would prove a major attraction for pilgrims.

The plan had been around for several years, taking a temporary back-seat in the Saudi list of spending priorities. On this occasion, however, there appeared to be a fresh sense of determination to go ahead. Slesinger hurried back to the UK to talk to contacts in London.

Those contacts turned out to be Christopher Carnell and David Green (pictured at London Zoo), of Hawkes Part-

nership, the London-based architectural and planning practice, which they — together with other breakaway members of the Triad design group — had started a couple of years before.

Together, the two men had established Carnell Green to act as the overseas arm of the Hawkes Partnership. Both experienced in Middle East work and keen to build up foreign commissions, they listened to what

that we stood a chance if we assembled a team of specialists who could put together a package."

By the start of 1982, the consultancy team had been put together and flew out to Jeddah to discuss the huge project with Technical Productive Corporation (TEPRCO), a local trading and contracting operation which was acting on behalf of the client, the Ministry of Municipal and Rural Affairs, Municipality

of Jeddah. Included in the team are project managers Carnell Green (now being fully integrated into Hawkes), Mathews Ryan Partnership (specialist zoo architects), Burrell Hayward & Budd (specialist zoo cost consultants) and Slesinger's Wildlife Management Consultants.

The mutual familiarisation session went well and the UK team actively pushed for acceptance of the "zoo geographic" concept, in which the complex would be split into continental regions, accommodating animals from appropriate global regions.

"We set out to impress upon the Saudis that zoos are not necessarily smelly places with loads of animals all over the place. A zoo should be a source of entertainment and education and our proposals set out to achieve those objectives," says David Green.

The team's plans involve a phased development and include a visitors' centre, a large education centre and several reference houses featuring various animal families. The residents of an existing zoo on site will be rehoused in a new zoo complex. Major considerations in determining the shape of the project have been the provision of water and of shade.

Phase one will comprise the visitors' centre and the urban zoo and the UK team says it is geared up to provide a couple of tigers, an elephant, big cats, giraffe, zebra and hundreds of birds to complement the animals already present.

In putting together their proposals, the consultancy team visited the United States to examine the Sonora desert museum, possibly the best arid land zoo in the world, San Diego Wildlife Park and the Bronx Zoo. It was a "crash course" which hardened up the concept they had already formulated.

Armed with their own ideas and the pick of the best devices already incorporated into other leading zoos, the team submitted its master plan last autumn, since when substantial changes

have been made following detailed talks between the two sides.

"From the outset, there has been a flexibility on the part of all the participants which has enabled us to come up with something acceptable to everyone. In a very free-thinking exercise, we have each put up proposals and counter proposals and eventually arrived at the right formula," Carnell adds.

After the hectic activity of the last 15 months, comes the waiting and the nail-biting. The participants are only too well aware that the scheme has been proposed for some time and is equally aware that Saudi Arabian spending programmes

are undergoing review in the wake of the fall in oil consumption and prices.

A zoo, they readily appreciate, is not likely to be a priority when the economic climate turns sour, but the team takes comfort from the apparent determination on the part of the Saudis to press on with a proposal which forms a natural sequel to earlier phases of primary industrial development.

The crucial decision concerns the next Saudi budget, now being formulated. If provisions for the first phase of the zoo are included, then the UK

team rate their chances highly. According to Christopher Carnell: "We have delivered 30 crates of tender documentation with the Saudis and are waiting for the thumbs up. We reckon we are very well placed because, as far as we know, no-one else managed to mobilise in such a short time. In any case, we have got the most exciting concept and the best scheme."

"If the plan falls through, then it is fair to say we will have lost money on getting it this far. If it works, it will have been worth every penny."

MICHAEL CASSELL

## Landscaping the desert

THE FIRST of 400,000 shrubs and a new green landscape to transform 1,375 acres of the Saudi desert will be planted next month by Chris Bankhurst, chairman and managing director of the Hertfordshire-based V&B group.

The international landscape and irrigation engineers have won a £6m contract for landscaping a large new housing

development at Dumez, of Paris, and the project consultants are Sandi Consulting House/Leo A. Daly.

Slesinger had to say. As the plan was outlined, the excitement was quickly tempered by the realisation that the project was well beyond the capacity and experience of a small practice whose bread and butter business was in the £1m-£2m range and principally centred on the world of retailing.

According to Christopher Carnell: "The opportunity was too good to miss and we decided

that we stood a chance if we assembled a team of specialists who could put together a package."

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Hugh Routledge

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## CONTRACTS

## Trollope &amp; Colls win £20m office block

TROLLOPE & COLLS, part of the Trafalgar House Group, has been awarded a £20m contract to build an office block in Woking by Westbourne Terrace Investment Co. Situated in Duke Street, work has begun on the development which will consist of an "E" shaped building, part seven and part eight storeys high, with basement parking for over 400 cars.

More than 19,250 sq metres of air conditioned office space will be provided as well as areas for amenity uses. The building will have a reinforced concrete raft with RC frame. The cladding will be in-situ brick work with precast brick faced panels. Thirteen lifts and eight staircases will serve the office floors. The building is due to be completed in April 1985.

Contracts totalling nearly £8m have been won by the Midlands regional office of CLARKE CONSTRUCTION. They include warehouse units at Oldbury (E1.1m) and a distribution depot at Stooes (E1.1m) for Echo Estates; 84 dwellings, Burton on Trent; for East Staffordshire District Council (E1.1m); distribution depot, Wellington, for TNT (E790,000); 45 flats, Balsall Heath, Birmingham, for the Harden Housing Association (E717,000) and a new primary school and nursery for Derbyshire County Council, Swadlincote-Newhall (E501,000).

WILKINSON INTERIORS has secured a number of interior contracts worth £4m over the past three months. Work includes a casino and restaurant

in the Imperial Hotel, Russell Square for Stakis, the complete refurbishment of the entrance and reception at the Hyatt Carlton Tower, a private flat refurbishment in Beatrix Street, building and refitting for Tesco at Ashford and refurbishment work at Terminal 3, Heathrow for the British Airports Authority. All are due for completion by the end of 1983.

A £6m design and build contract for engineering workshops and offices at Sellafield, Cumbria, for British Nuclear Fuels has been awarded to FAIRCLOUGH BUILDING north western division of Swintop, near Manchester. Under an 83-week contract, Fairclough will design and construct 5,000 sq metres of single storey workshops, a two-storey office building with floor space of 8,000 sq metres, external compound area, small ancillary buildings, a car park and access roads. The building structures will have a portal steel frame clad in profiled aluminium sheeting. The contract incorporates furnishings and general fitting out.

SINDALL CONSTRUCTION has been awarded contracts totalling £1.8m including a day centre at Neath Hill, Milton Keynes for the Buckinghamshire County Council worth £619,566 and flats and houses at Harrow Road for the London Borough of Waltham Forest worth £267,354. Sindall also has a £345,158 contract for 21 almshouses and wardens' houses at Chesterfield Road, Barnet for the Trustees of Eleanor Palmer Charity.

## Restoration at Kingston Lacy House

ERNEST IRELAND CONSTRUCTION, a part of the John Mowlem Group, has been awarded a £1.05m contract by the National Trust for restoration work to Kingston Lacy House, near Wimborne, Dorset.

Kingston Lacy House is part of the estate of some 15,000 acres which was bequeathed to the National Trust in 1981 and is its largest house. Work to be undertaken by Ernest Ireland's Bournemouth regional operations office, comprises extensive repairs to the fabric of the building, roof, facades, windows and minor alterations to facilitate access to members of the National Trust and the general public when the house opens in 1985.

A fully protective scaffold and temporary roof will envelope the building while roof and stonework repairs



are carried out. The interior repairs and alterations to the mechanical services and electrical installation will then be undertaken in conjunction

with all related fittings and finishes. Work has already commenced and completion is scheduled for the summer of 1984.

## Lovell's £3.5m in Croydon

London architects, Diamond Lock, Grahowski & Partners, has awarded a £3.5m contract to V. J. LOVELL (SOUTHERN) to undertake the construction of an eight storey office building at 5 Bedford Park, Croydon. The building will provide 46,000 sq ft of air conditioned offices. Work on site started in November and completion is due in April 1984.

BALFOUR BEATTY CONSTRUCTION, part of the BICC Group, has been awarded a £1.8m contract by the British Gas Corporation for the civil engineering and building works associated with a gas compressor station at Warrington, Cheshire. Work comprises the construction of a control building, two compressor cabs, four minor buildings and miscellaneous plant foundations, water reservoir for fire fighting, drainage, ductwork, landscaping and fencing. All M & E installations, including a considerable amount of ductwork connecting the buildings, are included in the contract. Structural steelwork will be supplied by Painter

Bros, a Balfour Beatty company. Work started on March 7 with a 34 week construction period.

The Midlands branch of WILLIAM STEWARD & CO has secured a contract worth over £1m from Kyle Stewart Management for the electrical installation at the new R.S. Components office and warehouse at Corby. Work is scheduled for completion in 12 months. The project consists of an office block and warehouse of some 30,584 sq metres and includes a highly sophisticated computer energy saving lighting system.

TRACTS has been awarded a contract for the first phase of the conversion of Stouts Hill, Uley, Gloucestershire, into "time share" suites. The contract, which is in excess of £300,000, includes the restoration of the exterior of the main building, the refurbishment of the interior and the construction of nine self-contained luxury suites with a heated pool and dining facilities.

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## Fast work at Standon House

ONE FEATURE of the building recession is the speed at which available work is being completed. Saving time saves money as Willett, part of the Trafalgar House group, knew when it tendered for Peachey Property's Standon House development in the City of London in March of last year.

Standon House, a 42,000 sq ft office building in seven storeys at the junction of Brahm Street and Mansell Street just within the City's eastern borders, was topped out last week and is due for completion next October or November.

"The contract first came out on a 21 month period," says Derek Blundell, technical director of Willett which started on the £3.7m job last April; "we came in on 18 months."

Willett achieved its time saving in a number of ways, he says. It decided to use no external scaffolding; cantilevered scaffolding allowed external cladding to proceed at the same time as the frame was being completed.

"We also looked at the work within the building," says Mr Blundell, "and started the work on services early." High level duct work and pipework were achieved at a much earlier stage than normal, he says.

He also points out that completion early in the winter avoids a "dead" period after the Christmas holidays.

"Quicker is cheaper," says Mr Blundell, noting that builders' "preliminaries"—contractors' staff, plant, scaffolding and so on—can add up to between eight and 15 per cent of the contract's value. Willett, nevertheless is hoping that it will come out with a profit.

Savings here have allowed Peachey to spend more, within a total development cost of some £9m, on quality finishes. Principal elevations are of Sardinian grey polished granite, with bronzed anodized aluminium windows.

Inside there will be extensive use of marble and polished wood in the common areas. The area has recently attracted prestige tenants like insurance brokers Sedgewicks, Bain Dawes and Hogg Robinson. Peachey wants that sort of tenant, rent close to £18 a foot and a total rent roll of £650,000 which it reckons would value the building at over £11m completed and fully let.

"It would make an ideal headquarters building for companies which are shrinking, and moving," says John Brown, Peachey's managing director. "We have also had eight serious enquiries from people thinking of buying it for owner occupation. It's a freehold, and there are not too many of those in the City."

WILLIAM COCHRANE

# AMCA MACHINE RECYCLES ROADS AND SAVES 50% PER MILE

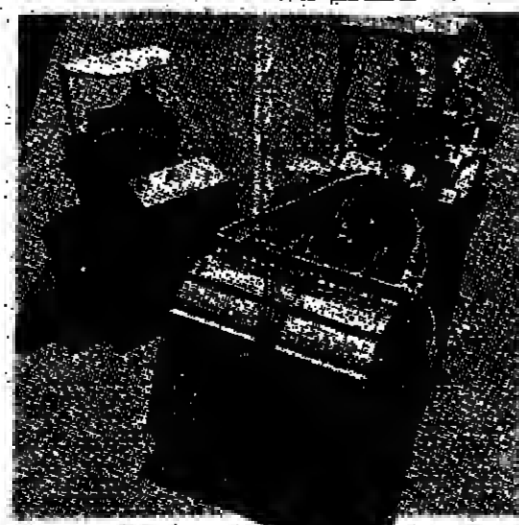
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**For further details please contact:**

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**Continued on Page 22**

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**Continued on Page 2**

Sales figures are unofficial. Yearly highs and lows reflect the  
 previous 52 weeks plus the current week, but not the latest  
 trading day. Where a split or stock dividend amounting to 25  
 per cent or more has been paid, the year's high and low range  
 are based on the adjusted share price. Dividends are not  
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## WORLD STOCK MARKETS

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## INTERNATIONAL ECONOMIC RELATIONS

## How the Third World is changing its strategy

By David Tonge, Diplomatic Correspondent

THREE-QUARTERS of the countries of the world are currently meeting in Buenos Aires to put the finishing touches to a new strategy for economic negotiations with the industrialised West.

The meeting is of the "Group of 77"—the informal body in which the poorer countries co-ordinate their economic activities in the UN. Those attending have been charged with putting into action a major shift in policy just agreed by the leaders of most of the Third World.

Last month in New Delhi, 99 members of the Non-Aligned Movement decided that their situation was so serious that they had to reach agreement with the industrialised world on a series of "immediate measures" to prevent the world economy from worsening.

These include debt relief, an increase in world liquidity through action by the International Monetary Fund, greater aid and bank lending to the Third World and more open markets for its products.

This marks a shift in strategy for the developing world is no longer insisting that the first priority must be a restructuring of the financial system set up after the Second World War, including changes in the control of institutions such as the IMF and World Bank.

The change should mean a different time in dealings between the North and South. The first evidence of this is expected at this month's meeting of Finance Ministers of the Development Committee of the IMF and World Bank in Pakistan, which is chairing the meeting.

Further negotiations will follow at the June meeting of the United Nations Conference on Trade and Development, in Belgrade, the UN General Assembly in September and the annual meeting of the IMF and World Bank in Washington.

The Non-Aligned Movement, founded by Nasser, Nehru and Tito in 1961, has long been the most influential of the bodies

into which the Third World groups itself. Though excluding China, its members account for over half of the world's population and two-thirds of the countries represented at the United Nations. Its activities led to the formation of Unctad and its regular summits have set the tone for how the developing countries treat the UN system as a whole. Its members can currently block any resolution at the UN Security Council.

The movement meets at a more senior level than the Group of 77 and largely sets the course for the latter. If northern countries play down the movement's influence, it is they who are likely to be seriously affected. It is they who would increase the credibility of the movement's demands for economic change. It has long been lined up behind the Third World demand for a new international economic order, and it backed a call in 1979 by Algeria for "global negotiations" to start. But these discussions — which would have taken place within the UN and challenged the Western control over bodies such as the IMF and World Bank — have been blocked by Britain, the U.S. and West Germany.

The movement's change in tone at last month's New Delhi conference came as Mrs Gandhi, the Indian Prime Minister, took over its leadership from Cuba's Sr Fidel Castro. Just as suggestions that the Soviet Union is the "natural ally" of the non-aligned have been buried — to Mrs Gandhi's declared approval — so the changes on the economic front broadly bring the approach of the non-aligned close to that of India.

The developing countries still attack the "present iniquitous economic system" and describe global negotiations as "the most important and comprehensive endeavour of the international community," as their 50,000-word New Delhi communiqué says.

This is in line with the Indian view that the present economic crisis is structural and not a natural part of the business cycle. To Mr Ramesh Bhandari, India's chief economic negotiator at the conference, the instruments developed after the Second World War are no longer applicable or effective in the changed technical, ideological and social conditions of today.

"The situation has gone haywire. For that reason we talk of the need for structural change," he said in an interview after the conference. But the key to his thinking — and now to that of the Third World as a whole — is that years of pressing for structural change and global negotiations have led nowhere. This is why,



Cuba's Fidel Castro has just handed over the leadership of the Non-Aligned Movement to India's Mrs Indira Gandhi

he says, in areas such as debt "you simply cannot postpone immediate measures."

This may seem only a small change, but moderate leaders of the Non-Aligned Movement, such as Yugoslavia, argue that it was the maximum that could be achieved at a single conference. To reinforce their case they point to the problems faced by Algeria in accepting the shift. That country had

spearheaded the calls for a new international economic order ever since it hosted the fourth non-aligned summit in 1973.

Mrs Gandhi's officials thus made a point of persuading Algeria to accept a change even before the conference began. Yet nights of debate between Algeria, representing the radicals, and India supported by the pragmatists, were required before a formula could

be found which pressed for immediate measures but did not abandon calls for a change in structure.

In the end the New Delhi summit's formula is very similar to that proposed by the Brandt Commission on North-South issues in its latest report, *Common Crisis*, published in February. This repeats the plea for structural change made in its 1980 report, but it puts its

emphasis on a step-by-step approach "directed to averting world collapse," and concentrating on the financial field.

The communiqué of the New Delhi summit makes clear how disillusioned the developing world is at the results of nine years of North-South dialogue. "Hardly any progress... utterly inadequate minimum package... tardy and inadequate" are the comments peppering the section on such negotiations.

Far from obtaining a larger slice of the world's cake, developing countries have had to deal with a recession which has caused average income in at least 26 of the world's poorest 36 countries to fall in the past two years.

In 1981 and 1982 developing countries suffered a net foreign exchange loss of around \$200bn (£132bn), according to the non-aligned communiqué. Export earnings have fallen by \$150bn and debt service payments risen by \$37bn. Now net new bank lending to non-oil developing countries is slumping. After increasing by \$40.4bn in 1981 and a further \$15.3bn in the first half of 1982, it fell by \$0.8bn in the third quarter of last year and is believed to have tumbled since.

"This massive decline in foreign exchange availability translates itself into a corre-

sponding decline in import capacity... thereby reducing the exports of developed countries and threatening a major and cumulative contraction in world economic activity," warns the New Delhi communiqué.

Mrs Gandhi, who will chair the Non-Aligned Movement for the next three years, argues that this interdependence between North and South underlines the need for action by the West: "Given the present state of some of the developed economies in the western world it would be to their advantage to turn to the South and seek its co-operation," she said after the conference.

In recent speeches Mr George Shultz, the U.S. Secretary of State, has also stressed the interdependence of the developed and developing worlds. He has cited estimates that a \$250 drop in capital flows to developing countries cuts OECD growth by at least 0.5 per cent.

Mr Shultz has four objectives: "First, ensuring sufficient liquidity in the international financial system; second, preserving open markets; third, improving the international monetary system; and fourth, ensuring political stability in the developing world."

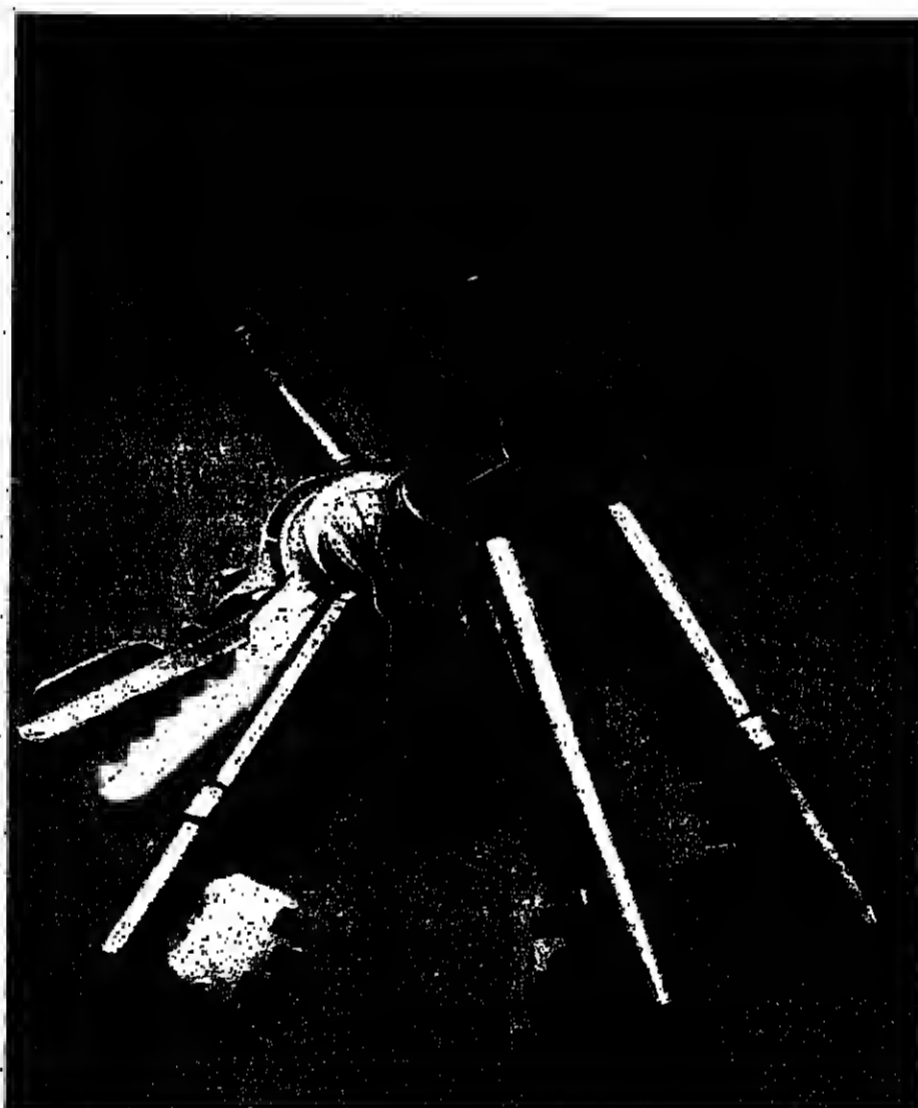
All this would not sound amiss on the lips of many Third World leaders, but differences

emerge when it comes to specifics. While Mr Shultz believes that the key to recovery in the South is renewed growth without inflation in the North, the developing countries argue that the current "downward spiral" can only be reversed by a major expansion of world liquidity.

It is this which makes them call for a major allocation of the IMF's special drawing rights, attack the recent 47.5 per cent increase in IMF quotas as disappointing, and call for these quotas to be doubled.

It is also this which makes them reject Mr Shultz's argument that the key to recovery from the debt problem lies with increased exports from developing countries. However true that may be in the medium term, they believe that a major debt rescheduling exercise is needed to give countries relief until the world economy returns to conditions similar to those prevailing when the debts were incurred.

The battle lines are clear. The South's shrill voice of protest has given way to a more reasoned message. But as the West prepares for its summit meeting at Williamsburg next month the developing world is expecting it to pay due attention to the anxiety which has caused the change.



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## TECHNOLOGY

ROBOTICS DEVELOPMENTS MORE LIKELY IN JAPAN AND U.S.

## Scara a pointer to the future

BY ALAN CANE

SCARA is a robot designed in Japan by Professor Makino of Yamaguchi University. It is a simple robot with a stiff vertical shoulder and elbow at its best when inserting components in automated assembly systems.

Despite its limited abilities some 600 of these robots have now been produced in Japan by six manufacturers to use on their production lines.

Scara is, according to the market consultancy Frost and Sullivan, a pointer to the future of robot development. "It seems probable that development will most likely be in the creation of simpler robots, such as Scara, designed to undertake specific elements of assembly, rather than more complex robots capable of a range of tasks."

But it seems the thrust of these developments will be in the U.S. and Japan rather than Europe. "The motor for the development of robotics is in the main to be found in Japan and the U.S. Few fundamentally new developments are expected from European research programmes, although some centres of excellence exist."

These conclusions are contained in a new report from Frost and Sullivan which looks at the market for robots in each European country and assesses their contribution to the development of automated manufacture.

It estimates that Europe's robot population has nearly tripled in the past two years and is likely to grow by 30 per cent a year until 1986.

It suggests that growth will slow to 18-20 per cent a year after that. "The slowing of overall growth reflects both the increased size of the population

## WHO IS WHO IN THE FIELD OF ROBOTICS

**Unimation:** Now part of Westinghouse, the recognised international robot pioneers. Manufactures the Puma robot family; the pace setter in robot development, the company is working on vision, force sensing and conveyor tracking. 5,000 robots installed world-wide.

**ASEA:** Large Swedish electrical engineering company, ASEA were the pioneers in all-electric drive robots. Some 1,500 robots have been installed world-wide.

**Tyrolia:** Norwegian company with some 1,100 robots installed world-wide; built its

first robot to spray paint the wheelbarrows it then manufactured. Went into commercial robot sales in 1969 and has not looked back.

**Volkswagen:** Built robots for use in its own automobile factories and has now licensed General Electric of the U.S. to manufacture and market its machines. Some 800 installed world-wide.

**Kuka:** Swedish robot maker specialising in spot welding—600 installed world-wide.

**Cincinnati Milacron:** Huge U.S. machine tool manufacturer which penetrated the European market when Volvo

placed an order for 40 robots in 1980. Major sales to Ford, British Leyland and Volvo.

**Acma-Gribler:** Engineering subsidiary of Renault with some 400 robots installed. Primarily selling to a captive market but making their system commercially available to others.

Others (with less than six per cent of the European market) include: Camau, Kanfeld, Nimak, Fairley Automation, Hall Automation ZF, DEA, Frab, Olivetti, Baster, Reis, Yaskawa, and Jungheinrich.

base and a slowing of demand in some applications due to an approach to saturation."

The value of the market is likely to be about \$230m in 1986 and \$350m in 1990 (1981 prices), the report suggests.

So who will buy all these robots, from whom and for what? Frost and Sullivan suggests that manufacturers are taking an increasingly mature view of robotics. Robots are now seen not as individual components, but as parts of systems, including other machinery such as numerically controlled (NC) machines.

The automobile industry is already the major user of robots; there have always been good investment attitudes in the industry, the report says and even the usually cautious management in the United Kingdom have recently invested some £500m for the installation of more than 200 robots in British Leyland and Ford plants.

The car industry's share of the robot market will inevitably decline as other industries make greater use of robot-based systems. The electronics industry, for example, is already beginning to assemble printed circuit boards using, for example, Puma robots built by Unimation of the U.S.

Among other industries covered in the report are electrical engineering, mechanical engineering, metal, rubber and plastics, ceramics and glass and aerospace. "The development of robotics in the European aerospace industry is being spurred by advances in state-of-

the-art manufacturing techniques. In Denmark Per Uden is studying the use of robotics in manufacturing pylons for an aerospace programme in Holland."

It goes on to point out that Aerospaciale and Renault have agreed to exchange data on manufacturing innovations they have developed in their respective fields in efforts to transfer technological experience from the automobile industry to aerospace applications.

## Observation

The report puts West Germany well in the lead with some 2,500 robots installed in mid-1982 with Sweden in second place and the United Kingdom third, a considerable improvement from earlier years.

The report observes: An observation that remains true for most countries is that those without indigenous manufacturers have had the lower robot penetration. The UK has in recent years acquired several domestic manufacturers. Acceptance of the product has become more widespread and accordingly the nation has experienced a rapid growth in robot usage.

Of West Germany's European leadership, Frost and Sullivan point out that there is considerable support from the government highlighting a generally high level of interest. "The Institute for Production Technology (IPA) in Stuttgart can claim to be of leading status in robotics on a world scale. Indeed so strong is the research and development at IPA, it is

difficult to imagine any other European group approaching its status on width and depth of experience."

Of the UK, the study notes that although the domestic market is still dominated by foreign companies like Unimation, Hall Automation, now part of GEC, holds 35 per cent of the UK market. "The UK has not installed as many robots as its European competitors."

"Many of those were installed because of health and safety rather than simply for an increase in productivity—this is not so much because of union attitudes, which are surprisingly good towards robot usage, but because of cautious management."

The report carries, the by now customary warnings about the Japanese threat, arguing that European manufacturers show indifference to the import threat.

It says that in five years time, Japanese suppliers will have established a significant market share: "We expect the Scara robot to make a major impact in Europe and foresee that European robot producers will have to fight hard during the 1980s to retain the major share of their market for domestic production — otherwise, imports of Japanese and U.S. origin may take up to 40 per cent of the European market by 1990."

"Industrial Robots in Western Europe: Frost and Sullivan, \$1,500. Frost and Sullivan is on 01-486 8377 in London, 212-233-1080 in New York.

## TERMINALS LINK-UP

## Teletex connection a step nearer

BY GEOFFREY CHARLISH

THE PROSPECTS for teletex—connecting office word processors and other terminals via a public telephone line direct to similar terminals elsewhere—comes a step nearer with an announcement from GEC Information Systems group of a teletex interface package.

To be marketed by Reliance Systems, the package will qualify for grants under the Government scheme in which companies installing teletex will have to up to half the cost, defrayed.

Behind the GECIS design is the idea that all the word processors, data terminals, computer stores and so on in a company should have access to teletex. So the basis is a unit called a "server," basically an eight port (input/output) interface that allows multiple access, operating on a store and forward basis to avoid users finding the teletex outgoing channel engaged.

Ideally the server will work in conjunction with a digital PABX (private automatic branch exchange) such as the SL-1 that Reliance offers. Then, perhaps as many as 100 terminals can be connected to the PABX in much the same way as 100 telephone extensions. The PABX is in turn connected via eight lines to the server's eight ports.

The server can accommodate all the traffic (on the assumption that 100 terminals will not all be in use at once) and will then act as a store and forward switch. In practice this simply

means that a user will type a complete message or document and dispatch it to the server which, if the exchange line to the outside world is engaged, will store it temporarily on a 10 megabyte disc and send it soon afterwards. Similarly, incoming messages are held if the machine senses that the addressed terminal is engaged.

At the same time, the PABX is available for interconnection of the terminals within the company (like an internal telephone call).

If the organisation does not possess a digital PABX, the server can be used on its own. Then, the ports are connected directly to the user terminals and the public exchange line.

The teletex server can operate at either 1200 or 2400 bits/sec—the latter speed is about 30 times that of teletex.

Stuart Crowther, Reliance's general manager for telecomm, thinks that companies should avoid thinking of teletex simply as a faster telex with upper and lower case.

He says: "Its main virtue is not speed at all but its ability to be accessed from any of the organisation's existing word or data processing units, or direct from a local area network or a computer store."

He believes that only when the teletex line is as accessible to terminal users as the telephone lines are to extension users—on a simple dial-out basis—will teletex's true advantages be realised.

## Welding

## British inside system

BORE welding is a difficult process, particularly if the tubes to be welded are of small diameter. Normally the welding is carried out from the outside of the tube, but now Foster Wheeler Automated Welding (17 Stadium Way, Tilehurst, Reading, Berks. G734 4J5678) is offering its British designed bore welding system capable of welding tubes down to nine millimetres.

A common application is in the manufacture of shell and

tube heat exchangers. In this application the bore welding torch can reach into the inside of the exchanger to butt weld the tubes on to the inside face of the tube sheet. This is normally known as "back face welding."

The company claims that its new system offers better mechanical and corrosion properties. Full technical advice and a brochure is available from the company.

MAX COMMANDER

## Plotting

## Speeding production

CALMA has a new electrostatic plotter that can work 10 times as fast as a conventional pen plotter and is designed to speed the production of high resolution hard copy output from the company's GDS computer-aided printed board and microelectronics design systems.

Known as Principle, the machine is easy to set up and there are none of the problems of overshoot, running out of ink or mechanical arm failures which can make the pen plotter a potentially weak link in the design process says Calma.

The plot structure of Principle makes for easy diagram interpretation by the designer. Layers, shapes and intersections are easily distinguished by 64 standard fill codes, another 64 user definable fills and 64 line thicknesses.

The resolution is 200 dots per inch, allowing complex very large scale integrated circuits or dense circuit boards to appear in sharp detail. More on 0276 682021.

## Moulding

## New 3-M products

SEVERAL new products have been added to the 3M range of Euroelastomers for moulding applications. Under the brand name Finorel, the company has launched three cure terpolymers. 3M says that the higher fluorine content gives improved chemical resistances. More on 0344 26726.

## Lifts

## Installation by Otis

ALTHOUGH it was announced more than a year ago, Otis has just inaugurated the first installation in Europe of its Elevonic "brailly" lift system, at Devonshire House just off Piccadilly.

In the Elevonic system every aspect of lift operation has its own controlling microcomputer. These maintain constant tracking of passenger

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demand, load and car positions in addition to constantly monitoring the status and safety of all the major operating components.

After a car is called by a passenger, the computers reduce waiting time by analysing each car's status to ensure selection of the car that can answer the call fastest without degrading the service to other users. The selection is checked five times each second to see whether another car might better answer the call.

The lifts use direct thyristor controlled DC drive rather than a motor-generator set and are claimed to provide the best "ride" of any system on the market. Otis in the UK is one 01-725 9131.

## Offshore

## Gas relief slave

GKN Birwelco of Halesowen, in the West Midlands, has designed Sonajet, a gas relief slave, which the company says, can flare large volumes of gas in offshore oil installations in safety and with an almost limitless capacity for turn-down. The company says the slave can be mounted on much shorter towers or booms than those required by conventional flares. More on 021-558 4777.

## Twisting

## Wire stripper

ERASER International's Bush Wire Stripper Division has developed the T-Mix Wire Twister for the production of twisted pairs from pre-gut wires. The unit, bench mounted, is capable of twisting wires up to 23 swg in almost any length. Weighing 11 kg, two versions are available at 230/240 volt 50 Hz and 110 volt 60 Hz. More from 0264 51347.

UNCHANGABLE  
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Tomorrow's office will be different in almost every way — new knowledge, new tasks, new organization, new equipment. Yet the most important component will remain the same.

Man himself.

So you'll have to adapt all these new changes to fit human capabilities and limitations.

That applies specifically to the new information systems your company will need to make your business more competitive on all levels. That's why Ericsson gave ergonomic considerations such a high priority when they designed the systems they're installing now.

Ergonomics is the science of adapting work to man's inherent capabilities. To us, that's not just a matter of designing hardware that relieves strain on muscles and sinews and is kind to eyes and backs.

Ergonomics applies to software, too. Things like making person-to-computer dialogue natural and easy. Giving the user a free choice of voice, data, text, or pictorial communication via the same system. Keeping people instantly reachable wherever they are, on or off the premises. Making the whole system more user friendly.

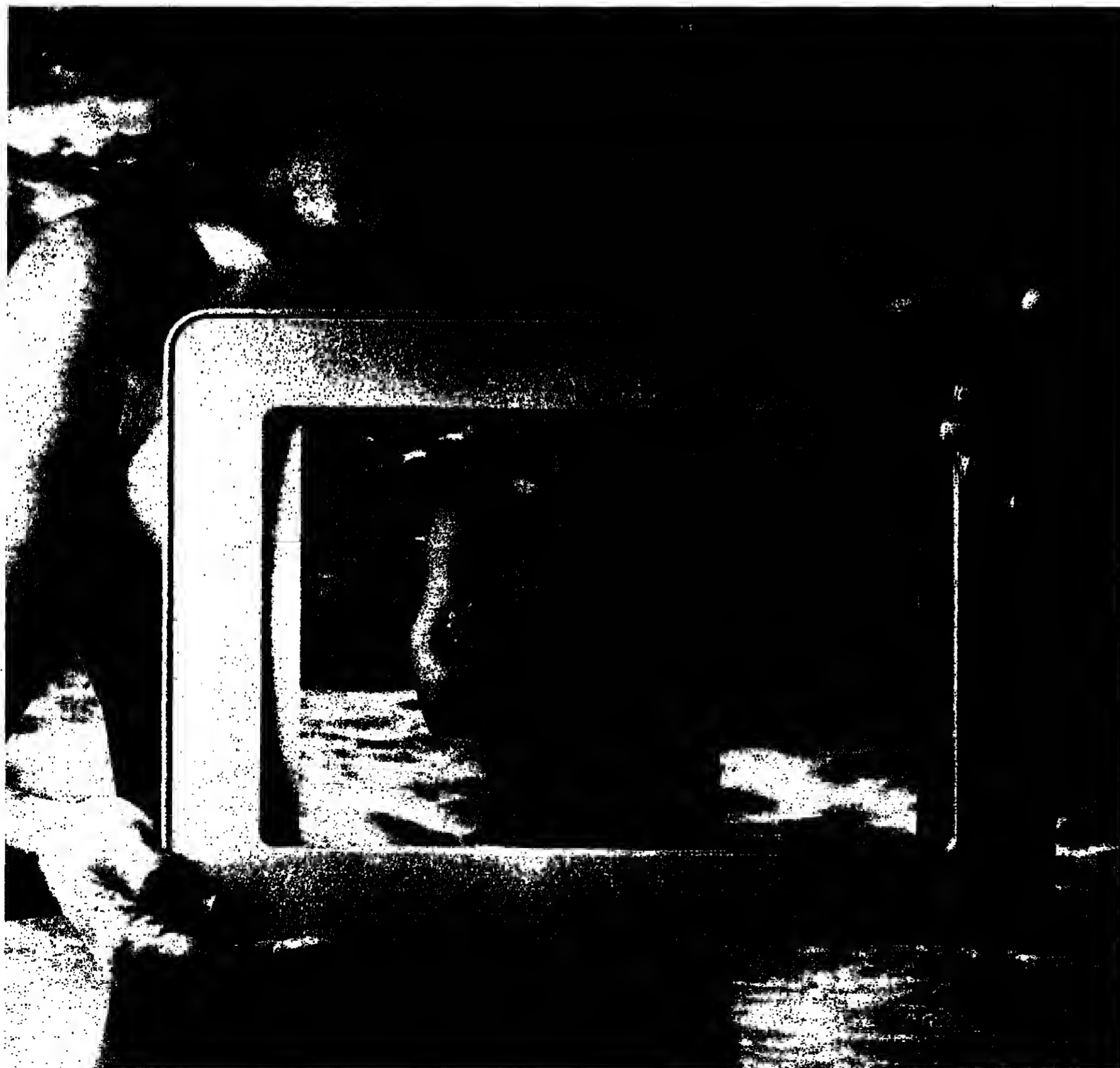
It's ergonomics that made our Alfaskop terminal a best-seller in many countries. In fact, all Ericsson hardware is ergonomically designed — like the Ertex teletex terminal that has built-in menu functions and "help" buttons to make it even easier to operate. So is Ericsson software — like the new, easy-to-learn Genius programming language. Tests have shown that it can increase the user's productivity fivefold!

Best of all, the system is future-proof. Whatever the services you'll need, whatever the technical or ergonomic advances, they can be incorporated into our systems without disruption.

You'll only need a new system if man himself should ever change.

ERICSSON  
Information Systems

Ericsson is communications, data processing and office automation, integrated for the office of tomorrow. Both hardware and software. Systems analysis and design, engineering, service and training. Ericsson has 70,000 employees, more than \$2.5 billion in sales, and over a century's experience in international telecommunications.







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## OFFSHORE AND OVERSEAS

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